Daily Report

Latin America

FBIS-LAT-93-057
Friday
26 March 1993

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FBIS-LAT-93-057 26 March 1993

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Cuba

Havana Radio Reviews Crisis in Russia

PA2503214493 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Mar 93

[Station commentary]

[Text] The political conflict in Russia, characterized by the clash between the Executive and Legislative Branches, as typified by the differences between the Russian president and vice president, is a matter of grave concern for the leading Western countries, foremost the United States.

There are four leaders constantly in the news in that country. President Boris Yeltsin, Vice President Sergey Rotskoy [name as heard], Parliament President Ruslan Khasbulatov, and Constitutional Court Chairman Valeriy Zorkin.

Yeltsin's 20 March decision to call a referendum on 25 April and ignore the actions of the parliament, where the majority oppose him, was declared unconstitutional by the Constitutional Court, and may lead to a greater confrontation, the outcome of which is still unforeseen. According to the spokesmen, the Armed Forces remain neutral in this struggle that stems from differing approaches regarding the reform program to establish a market economy in Russia.

The key aspect of the conflict seems to lie in the direction and pace of the reforms in a country beset by serious economic problems and their large impact on Russian society. At the heart of the crisis lies the dramatic economic and social problems of a once powerful country that now looks toward the West to get additional economic aid that is not forthcoming. In addition, it seems the United States and its allies lack the material means to meet the Russian demand in the amount and urgency required.

For the new U.S. administration, the Russian crisis becomes the most urgent problem to resolve in the area of foreign policy. Washington and some of its main allies regard the Russian conflict as something strategic, since it has an impact on their long-term military policies. In the United States, the topic of the reduction of the Pentagon budget, proposed by the new Clinton administration, has blossomed into a political debate at the encouragement of the Republican opposition with the specter of the danger of possible disarray among the Russian nuclear weapons.

Georgian leader Eduard Shevardnadze, a Yeltsin supporter, said Yeltsin's measures came late. Shevardnadze also talked about the possibility of a NATO intervention in case civil war breaks out in Russia. Former President Mikhail Gorbachev has criticized Yeltsin for his unconstitutional measures and said—according to the Italian press—he would be willing to return to the political arena if the Russian people asked him to.

The Russian Parliament has flatly criticized meddling by the West in the Russian political conflict. U.S. Secretary of State Warren Christopher recently admitted the United States, which has fully backed Yeltsin, is already in contact with groups of Russian reformers, as they are called, in case the events in Moscow take an unexpected turn.

Havana Commentary on Human Rights in Tibet

FL2503164793 Havana Radio Rebelde Network in Spanish 1255 GMT 25 Mar 93

["Our Opinion" commentary by Ariel Larramendi]

[Text] There are two issues that the United States flourishes every now and then in an attempt to apply political pressure to the People's Republic of China: in connection with politics, the matter of human rights; and in connection with trade and economics, the matter of the agreement on most-favored-nation status.

As regards human rights, Western press organizations—basically those that wish to influence China's policy—periodically report failure to respect them, for example in the autonomous region of Tibet, which is in southwestern China bordering on India.

Asia experts and well-intentioned scholars of Buddhist theology cannot fail to find it strange to see defended the servant-master relationships that existed in Tibet before that region was liberated in 1951 by the Chinese People's Army and [further liberated] later, through the democratic reforms of 1959.

Before those milestones, and particularly before democratic reform took place in Tibet, Tibet had a completely stratified society. Three kinds of lords—bureaucrats, nobles, and monks—governed the other 95 percent of the population with a government that considered them less than objects, handed down by their owners as a legacy for generation after generation. That combination of feudalism and Tibetan religion did not worry about the human rights of those object-men.

However, for the purpose of the desires of the Western powers as regards China, there are no national problems that are not stirred up from abroad—without taking into consideration the fact that in many cases, one falls into absurdity, such as, for example, awarding the Nobel Peace Prize to the Dalai Lama, representative of the most reactionary traditions of the Tibetan religion, and, as a natural concomitant, introducing ideas about dividing the country, claiming that Tibet has not historically been a part of China.

I adduce these facts, as proof, upon reading the speeches made by several Tibetan delegates during the first meeting of the 8th People's National Assembly currently underway in Beijing. For example, (Sengchen Losang), a living Buddha and the vice president of the assembly's permanent committee, said that there was not a single school in the old Tibet, and that the said autonomous

region today has over 3,000 centers, covering the entire child population of the so-called "roof of the world." And the Tibetan representatives said more. Another living Buddha pointed out that life expectancy is currently 60 years of age, whereas in the old Tibet, very few lived past the age of 30.

Those who attack China in connection with human rights in Tibet seem to be feeling nostalgia for the esotericism of this formerly forgotten region that used to serve only as a subject for mysterious novels and travel articles.

Successful Tourism Guarantees Fast Development

FL2603012893 Havana Cuba Vision Network in Spanish 2320 GMT 25 Mar 93

[Text] The success achieved in tourism guarantees a fast path for the economic development of the country. The hard currency collected in Varadero has increased ninefold in comparison to 1985. This year, in just two months, the amount of hard currency collected exceeds $40 million and the average tourist stay is eight days. Varadero accrues 40 percent of what is collected in the country. This supports the correctness of the policy to increase room capacity as a quick and necessary means of achieving the economic development of our country.

In Varadero, the main goal of the construction workers for 1993 is to increase room capacity by 1,300 units. Members of the Heroes of the Bay of Pigs, Abel Santa Maria, and the newly formed Vladimir Ilyich Lenin Contingent from Cienfuegos are working together toward this goal. Furthermore, the hotel workers hope to improve their services and collect $200 million, an unprecedented figure in the region's tourism history.

The challenge is a large one since they expect more than 200,000 tourists from Canada, Germany, Spain, Italy, and several Latin American countries. Last year, 180,000 tourists stayed in Varadero, and $162 million was collected.

Haiti

Government Issues Communique; Bazin To Support Negotiations

FL2603160693 Port-au-Prince Radio Metropole in French 1500 GMT 26 Mar 93

[Text] A communique issued by the last Council of Ministers meeting reports briefly on the talks between Prime Minister Marc Bazin and the foreign envoys. According to this communique, Marc Bazin met with the U.S. delegation led by special envoy Lawrence Pezzullo. A message from the U.S. President was conveyed to the head of the government which originated from the Villa d'Accueil [Agreement]. President Clinton has made it a point to accelerate the negotiation process. Marc Bazin's answered Ambassador Pezzullo by saying, and I quote, my government, given the sufferings endured by the Haitian people, has decided to totally support the negotiation process, unquote.

Soleil Notes Renewed Acts of Violence

FL2503165793 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 25 Mar 93

[Excerpts] The first point in our newscast this morning is that two members of the Baptist Evangelical Mission of the South of Haiti [Mission Evangelique Baptiste du Sud d'Haiti, MEBSH], who had been reported missing a week ago, are dead. According to a source close to the mission, their bodies were found at the General Hospital morgue. The two persons are Reverend Marcel Fontus and School Director Jeannot Louis-Jean. Both bodies had bullet and stab wounds. These people disappeared a week ago after an armed civilian forced them to get into a jeep. [passage omitted]

Two days before that, the body of Jean Jaurelien, who was an employee of Antoine Izmery, was found at the General Hospital morgue one week after a group of armed civilians abducted him. Like the two MEBSH members, the body of Mr. Jaurelien had bullet and stab wounds. Jaurelien was working at Antoine Izmery's store in the capital. In his statements to the press after the abduction, Mr. Izmery labelled this action as a political maneuver which has effected him as a partisan of ousted President Jean-Bertrand Aristide.

During the night of 22-23 March, armed civilians in Les Cayes killed chapel official Yvon Raymond. No one knows why these acts of violence have resumed in the country. Officials have said nothing about the identities of the culprits or what they plan to do in order to ensure the safety of all citizens.

Engineer Max Morineau, who was injured by bullets fired by armed civilians during the morning of 23 March, was working as a representative of the National Congress of Democratic Movements in the south of the country. This is what a party source said during the afternoon of 23 March. [passage omitted including previously filed material]

Also on 23 March, the military in Jeremie arrested Mr. Benito Romain. He is accused of inciting the people to create disorder in the streets. Benito Romain is an official of a youth organization called the St. Vincent de Paul Conference. After several individuals in the Jeremie Church intervened, the military authorities promised to stop manhandling Mr. Romain, who had already received many blows. As of 24 March, Benito Romain had still not been released.

Evangelical Mission Reacts to Members' Murder

FL2503231393 Port-au-Prince Radio Metropole in French 1145 GMT 25 Mar 93

[Text] The Evangelical Mission of South Haiti is indignant and shocked by the double murder perpetrated

against its two kidnapped members. The mission is indignant that its two members were taken for night knights [as heard].

[Begin unidentified speaker recording, in Creole] Even before this dishonest, barbarous act, we are asking for how long gangsters would continue to roam freely in broad daylight, in the face of the country's authorities, and bring sorrow and pain to peaceful families and citizens who live in the country. For how long will gangsters mock decent people, with the complicity of dishonest people who write illegal reports.

The executive committee of the Baptist Evangelical Mission of South Haiti is asking the concerned authorities to begin serious investigation into this crime. This time, we will not add the names of Pastor Marcel Fontus and Director Jeannot Louis-Jean to the list of continuing investigations. It is time for the country's authorities to take responsibility for preventing these heinous acts from recurring in the country. The blood of too many innocent people has been shed through negative situations. God will ask for explanations for all those crimes. Just like Cain, who killed his brother Abel, we still believe that the blood of Pastor Marcel Fontus and of Director Jeannot Louis-Jean, which was shed on a Port-au-Prince street, will rise like a voice to God's ears, asking for revenge and justice. The same earth that opens to drink the blood of those who serve it will put a curse on these gangsters, according to Genesis four, verse ten. [end recording]

UN/OAS Mediator Activities Reported

FL2603005193 Port-au-Prince Radio Metropole in French 1700 GMT 25 Mar 93

[Text] The Dante Caputo mission is being conducted with the greatest discretion. The UN/OAS mediator is due to meet with the Haitian political parties. Clarence Renois filed the following report:

[Begin Renois recording] On the third day of his mission, 24 March, in Port-au-Prince, Dante Caputo met once again with the Army High Command and General Raoul Cedras. Nothing is known of this meeting. All that is known is that the meeting took place at Army headquarters, far from the media's eye. The Army limited itself, in mentioning these meetings with the foreign envoys, to saying that they are aimed at finding a favorable solution to the political crisis. There was no information regarding discussions between Caputo and Bazin either. The office of the prime minister of the Villa D'Accueil government did not want to provide details of the private meeting with the international mediator that took place at the home of the head of the government.

Other meetings of the UN/OAS envoy also took place with the greatest discretion. On 24 March in Port-au-Prince, Dante Caputo received the spokesman for the National Front for Change and Democracy, Evans Paul; secretary general of the Movement for National Reconstruction, Rene Theodore; as well as legislators, senators, and deputies.

According to the agenda for his fourth day in Port-au-Prince, Dante Caputo will meet with representatives of the Catholic and Protestant churches, other leaders of political parties, including CONACOM [National Congress of Democratic Movements], and a delegation of the Group of Nine. Mr. Caputo will not leave without meeting the members of the Haitian private sector and members of popular organizations.

A new meeting with General Cedras, if necessary, would not be out of the question, according to a mission member accompanying Dante Caputo. We are optimistic, he confided to Radio Metropole. The meetings have been positive so far. However, he did not want to make any statements regarding the content of the talks, saying it was too early to draw conclusions. Dante Caputo had clearly revealed the objectives of this fourth mission to Port-au-Prince: to recommend and establish a timetable for solving the crisis, and to form a government by choosing a new prime minister. [end recording]

Information Ministry Reprimands Refuge Seekers

FL2603003993 Port-au-Prince Radio Tropic FM in French 1700 GMT 25 Mar 93

[Text] The Ministry of Information [Coordination, and Culture] says it is concerned with the alarming tendency of compatriots to [words indistinct] request refugee status at any cost. The Ministry of Information reminds those Haitians that far from serving the cause of the nation, their behavior is tarnishing its prestige. In its communique, the Ministry invites these compatriots to regain self control and consider that foreigners are mocking them for standing in the middle of the street for hours, tagging behind a hypothetical refugee visa.

The Ministry of Information points out that such a step should require discretion and subtlety. The minister also points out that these applicants, these so-called persecuted persons, return home without harassment, freely attending to their affairs.

The Ministry of Information invites all fellow citizens who capitalize on the current difficult situation to examine their consciences for the well-being and honor of the common homeland.

Jamaica

Candidates Deny Knowledge of Weapons, Explosives

FL2503225293 Bridgetown CANA in English 2156 GMT 24 Mar 93

[Text] Kingston, Jamaica, March 24, CANA—Parliamentary candidates for the governing People's National Party (PNP) and the opposition Jamaica Labour Party (JLP) Thursday denied knowledge of

weapons and explosives found at their party offices in the West Portland constituency in Eastern Jamaica.

Police Thursday said they found a 12-gauge shotgun, a mask, machetes, and knives at the constituency office of JLP contender, Holden Hammond. Thirty persons in the office at the time were detained by the police.

Eight molotov cocktails and a quart of gasoline were found at the rear of the premises with the offices of the PNP candidate, Junior Finance Minister Errol Innis. Hammond said the weapons were planted in his office, in the town of Buff Bay, while he was away in Kingston. Innis denied knowledge of the explosives, stressing the fact that they were not actually found in his office and suggesting that they were planted.

Both men have claimed a commitment to a peaceful campaign for the March 30 general election here. At least one death has been specifically linked to electoral violence, but there have been suggestion of other killings here in the past fortnight being linked to the campaign.

Salinas Terms Montoya Execution 'Out of Proportion'

PA2603154193 Mexico City Canal 13 Television Network in Spanish 1300 GMT 26 Mar 93

[Text] President Carlos Salinas de Gortari has commented on the execution of Mexican citizen Ramon Montoya Facundo in Huntsville, Texas. He stated that Mexico considers the death penalty an unjustifiable punishment, because Mexico is pro-life. President Salinas said the death penalty is out of proportion. These are the statements made by the president on 25 March.

[Begin Salinas recording] I want to state to you that the Mexican Government made every possible effort to stay the execution of our fellow citizen Ramon Montoya. Every diplomatic and judicial effort was made to stop this from happening. All legal, social, and, above all, humanitarian reasons were presented in favor of Montoya.

Different civic and community organizations, the National Human Rights Commission, lawmakers, and several judges stood up to stop this legal action, which we, Mexicans, consider out of proportion.

We are pro-life in Mexico. We are against the application of such a penalty in Mexico because we consider that emphasis should be placed on the rehabilitation of the inmate. Mexico, therefore, believes that the death penalty is an excessive punishment, and is unjustified. It is not justified from the punitive or crime prevention point of view.

In addition, this practice prevents authorities from correcting possible errors by justice. I have expressed my condolences to the family of Ramon Montoya, because I deeply regret this outcome. [end recording]

Salinas Offers Continued Support to Attorney General

PA2503212493 Mexico City XHTV Television Network in Spanish 0200 GMT 25 Mar 93

[Report by Daniel Flores Meneses; passages within quotation marks are recorded]

[Text] President Carlos Salinas de Gortari offered all his support to Attorney General Jorge Carpizo McGregor to fully comply with the responsibilities with which he has been entrusted. This took place when the attorney general delivered his work report covering the past two months.

President Carlos Salinas de Gortari said that during the past two months advances have been made in the defense of human rights and fighting impunity, crime, and drug trafficking. He asked for the people's assistance to continue the struggle.

[Salinas] "We know that the only route that allows us to continue to forge ahead is complete adherence to the law."

The president spoke after Mr. Jorge Carpizo McGregor delivered a report to him the past two months at the helm of the Attorney General's Office. The president said that funds and facilities need to be upgraded. Regarding the attorney general's report, the president said:

[Salinas] "Results can be seen and there is encouraging progress. The main thing now is not to relax. To this end I will continue to give my support to Dr. Jorge Carpizo so he can fully comply with the main responsibility with which he has been entrusted."

Dr. Carpizo McGregor said that properties belonging to Guillermo Gonzalez Calderoni and Adolfo Mondragon Aguirre—former Federal Judicial Police [PFJ] commanders—were secured. He added that Manuel Gonzalez Behar and four group leaders were arrested for their involvement in the events that took place in Hermosillo.

[Carpizo] "During the first two months of 1993, we confiscated 1,036 kg of cocaine, 26 kg of opium paste, 12 kg of heroin, and 5.65 tonnes of marijuana."

The attorney general reported that 149 civil servants have been dismissed and legal action has been taken against 16. He also delivered three draft resolution projects for PFJ agent training.

[Carpizo] "These are the drafts that regulate civil service careers within the PFJ, the draft for PFJ social and economic incentives, and the code of ethics draft for the federal attorney general and for PFJ agents."

These regulations will be published this same week. Mr. Carpizo McGregor asked for additional funds to continue restructuring the Attorney General's Office. He said he had requested the Finance Secretariat to hand over the cash obtained from the sale of properties that had been secured from drug traffickers.

Belize

Armed Guatemalan Logging, Drug Incursion Reported

FL2503215293 Bridgetown CANA in English 1926 GMT 25 Mar 93

[Text] Belize City, March 25, CANA—Leader of the opposition United Democratic Party (UDP), Manuel Esquivel, has sent a letter to Prime Minister George Price protesting what he calls government's "weak response to the recent incursion into Belizean territory by armed Guatemalans."

In his letter, Esquivel said an incursion last week was the latest in a series of illegal, aggressive acts by the neighbours in Belizean territory, "both land and sea." Esquivel said that the illegal activities of the Guatemalans involved not only the cutting down of Belizean mahogany, but that it was likely that the group was also involved in drug activity. Last Tuesday [23 March] night, Esquivel told the local Channel Five News the assumption was based on information gathered from residents of the Gallon Jug area.

On Monday, government announced that a multi-agency patrol was launched to investigate an alleged illegal logging operation in the Gallon Jug area of the Orange Walk district in northern Belize. On Sunday, the news media here reported that a group of about 15 armed men confronted a team of Belize government officials who were investigating the logging operation.

Since the incident was reported, Belize has increased its security forces in the area "to secure the safety of the officials carrying out their investigation."

Costa Rica

Foreign Minister on Security Measures at Embassies

PA2603132793 San Jose Radio Reloj in Spanish 1730 GMT 25 Mar 93

[Report by William Cespedes]

[Text] Foreign Minister Bernd Niehaus will meet on 25 March with members of the diplomatic corps, including the dean of the diplomatic corps. Foreign Minister Niehaus will explain the actions the government will be implementing and the measures that each embassy must take to guarantee their security. These security measures are a result of the 8 March occupation of the Nicaraguan Embassy.

The government reiterated its compliance with the Vienna Convention, and stressed that it provides security to the embassies within the limitations and capabilities of the Civil Guard. It warned, however, that in the case of countries facing internal political conflicts, the embassies will have to adopt additional security measures.

[Begin Niehaus recording] The Costa Rican Government is aware of its international commitments and will not evade its responsibilities clearly stipulated in the Vienna Convention, particularly in Article 22 of that important international treaty. That article reads in Clause 2 that the host country is specifically responsible for adopting adequate measures to protect embassy buildings against destruction, damage, and so forth. This is a commitment, as Costa Rica is a signatory of the Vienna Convention.

At the same time, however, I would like to stress that the best security a state can offer depends on its domestic security; in other words, the conditions that prevail in a given country have an effect on the security of the diplomats in a host country. The best way for Costa Rica to guarantee the security of diplomatic missions in the country is to maintain the climate of peace, cordiality, and social peace that has traditionally prevailed in Costa Rican society. [end recording]

Niehaus said the Supreme Court of Justice has officially requested the extradition of Jose Manuel Urbina Lara, who headed the Yolaina Commando that occupied the Nicaraguan Embassy for 14 days. The extradition request will be channeled through the Costa Rican Embassy in Santo Domingo, and the Dominican Foreign Ministry. The Supreme Court of Justice in that Caribbean nation will make a decision based on the Bustamante Code, which could result in Urbina Lara's extradition to our country to face trial for the crimes he committed based on the charges filed by the Prosecutor General's Office.

El Salvador

Zepeda Announces Retirement 'Next Week'

PA2503145493 Paris AFP in Spanish 1420 GMT 25 Mar 93

[Text] San Salvador, 25 Mar (AFP)—Deputy Defense Minister General Juan Orlando Zepeda announced on 25 March that he will resign his post next week. He is one of the officers implicated by the Truth Commission in serious human rights violations committed in the past decade. In remarks to a local television station, Zepeda denounced the "high level of meddling" by the United States in El Salvador and said he is resigning his government post after having "completed his mission."

Radio Reports Zepeda Retirement

PA2503195493 San Salvador Radio Venceremos Network in Spanish 1800 GMT 25 Mar 93

[Text] Generals Rene Emilio Ponce and Juan Orlando Zepeda have reiterated their rejection of the Truth Commission report, in particular of the charges that they masterminded the assassination of the Jesuit priests. Defense Minister Ponce said that the Jesuit priest case was extensively investigated and the guilty parties tried and later sentenced. Ponce said that he has very big

differences of opinion with Gen. Rafael Bustillo, so it would have been impossible to plot with him as the Truth Commission has reported.

Gen. Zepeda has said that he will be retiring in late March, just as he announced a month ago. He said that he will retire because he has fulfilled his mission for the past 30 years and is pleased with what he has done.

Foreign Minister Denies Amnesty Violates International Law

PA2503151893 San Salvador Canal Doce Television in Spanish 0300 GMT 25 Mar 93

[Text] On 24 March, Salvadoran Foreign Minister Manuel Pacas Castro said that the government will not be pressured into amending the General Amnesty Law that was approved recently. Following the approval of the law, various sectors of the Salvadoran society have said that this action will have serious repercussions especially in the aid our country receives from the international community. According to those sectors, this aid could even be canceled. However, Minister Pacas said that the law is good and it will not be amended because of pressures.

[Begin Pacas recording] The Salvadoran Government and its authorities are free to approve the laws it deems necessary to attain the main goal of the president of the Republic, which is to promote harmony and reconciliation among the Salvadorans. Those who wish to exert pressures may do so, but like the president said, we will not be pressured and will continue to follow the path we have chosen which is the path of peace, reconciliation, and democracy. [end recording]

Salvadoran jurists have also criticized the approval of the amnesty because they believe it violates international law when it includes those persons guilty of violating the human rights of foreign citizens. According to Minister Pacas, this is not true.

[Begin Pacas recording] I do not believe this is the case. First of all, these incidents occurred in El Salvador. These cases were handled by the Salvadoran justice system. Unfortunately, there were foreign citizens who witnessed or were victims of those incidents. However, I do not believe international laws were violated.

On the other hand, the General Amnesty Law was approved by the Legislative Assembly precisely to avoid all those problems and controversies. [end recording]

The foreign minister recalled the words of President Alfredo Cristiani who said that a general and unconditional amnesty will contribute to speed up the peace process in El Salvador. Pacas said that the approval of the amnesty law by a majority of the deputies at the Legislative Assembly will be good for our country.

Human Rights Group Addresses Cristiani

PA2503204293 San Salvador LA PRENSA GRAFICA in Spanish 24 Mar p 53

[Letter on general amnesty sent by the Salvadoran Human Rights Commission to President Alfredo Cristiani in San Salvador on 24 March 1993]

[Text] Dear Alfredo Cristiani, president of the Republic.

Astonished and indignant are we, the leaders of the nongovernmental human rights organizations that sign this letter, to have learned that on 20 March 47 deputies of the ruling Nationalist Republican Alliance [Arena], National Conciliation Party [PCN], and Authentic Christian Movement [MAC] took upon themselves the historic responsibility of imposing—without taking into consideration the opinions of the victims of war and repression in our country—what they think will serve to reconcile the Salvadoran people. We completely disagree with this view. Consequently, and because we are committed to protecting human dignity we have to say the following.

1. International law, particularly regarding the protection of basic human rights, was trespassed many times in our country. These violations are international crimes. As part of the profound changes that international criminal law has undergone, serious human rights violations, such as torture, making people disappear, and summary executions, currently are regarded as crimes against mankind.

2. Conventions, some of them embodied in important UN resolutions, exist that stipulate obligatory legal actions and the necessary penalties for those who grievously violate human rights. In addition, international law on humanitarian actions clearly stipulate the obligation to prosecute and penalize those guilty of war crimes.

3. Louis Joinet, UN rapporteur on the amnesty problem, maintains the inadmissibility of "reciprocal amnesty" in international law when the armed conflict is not international, as it happened in El Salvador, because this type of amnesty "tends to guarantee the impunity of official or semiofficial agents guilty of serious attacks on human dignity. When we are dealing with serious and systematic human rights violations described as crimes against mankind, such as torture, involuntary disappearances, or extrajudicial executions, the attack on human dignity is of such a nature that the right to oblivion threatens to turn into the right for impunity."

4. Furthermore, Joinet says that, for instance, "the power that grants amnesty does not content itself with guaranteeing the criminal impunity of torturers but seeks to create a conspiracy of silence to prevent even the possibility of the victims obtaining the material, and even moral, reparations to which the victims can aspire according to common law. The purpose sought is less to avoid a civil action, such as the payment of an indemnity, than to suppress all possibility of an inquiry that

could lead to the publicity of civil legal proceedings. This again confirms that publicity is the penalty that the perpetrators of attacks on mankind fear the most."

5. The impunity violates a set of human rights of the victims, particularly the following: The right to recognition of their legal status, the right to equality before the law and nondiscrimination in its application, the right to an effective judicial means, the right to a fair trial, and the right to learn the truth.

Recently in our country, there were several systematic violations of the right to life, physical integrity, security, and liberty of hundreds of thousands of people. These actions represent crimes against humankind, crimes the investigation and punishment of which cannot be overlooked by way of a decree. The suffering inflicted on the Salvadoran people through the implementation of the aforementioned practices is a global reality, which is recognized inside and outside the country by government and intergovernmental organizations of different natures. The official confirmation of this occurred on 15 March, when the Truth Commission report was presented in New York to the UN secretary general. Following the work done by this commission, which originated in the agreement between the administration of Alfredo Cristiani and the Farabundo Marti National Liberation Front (FMLN), we cannot allow that the result of this effort be only limited to the convenience of an amnesty.

There are many important recommendations included in the aforementioned document and immediate compliance is an obligation for both parties, stemming from their commitment witnessed by the Salvadoran people and the international community since the signing of the peace agreement. Among the recommendations made are those related to the judicial system and the administration of justice, especially the one that establishes a necessary and immediate reorganization of the Supreme Court of Justice. This holds particularly true at a time the Court has not yet ruled on the legality of the Amnesty Law issued in 1987, which was questioned by national nongovernmental human rights groups. After 15 March, the first problem to be tackled—as the Truth Commission stated—was not "whether or not those responsible should be punished, but whether justice could be served." The decision to grant individual and social pardons to those responsible for the aforementioned violations should have been postponed, until minimum conditions existed for the victims to make a decision—in a conscious manner and exercising their exclusive legitimate right—after learning the truth and satisfying their demand for justice.

However, the recently approved general amnesty is aimed at imposing an "easy" way out over the atrocities experienced by the people, as well as acquitting those responsible for murders, arrests, disappearances, and torture. It is aimed at preventing that the participation of perpetrators in these crimes be known and justice be applied to them. This attitude is completely hypocritical. It comes from those sectors that demand the reinstatement of the death penalty against persons who, without denying their participation in intolerable actions that should be fairly punished, are forced to commit crimes by a system that prevents them from enjoying the minimum levels of subsistence. Conversely, the government wishes to reward those who, without material problems and with access to higher levels of education, perpetrated serious human rights violations and crimes against humankind.

In a society where justice is not guaranteed through the efficient operation of the proper authorities, these types of measures are the best license, a "blank check," for those accustomed to "resolving" conflicts through violence. In our case, to "start from scratch" means, in all certainty, another painful experience of a lack of respect to the population's most basic rights, which only adds to the long list of crimes accumulated since the 11 June 1992 amnesty. With the censurable behavior of Arena, PCN, and MAC deputies, a serious precedent against the country's institutions is taking place. There is conspiracy against citizens' trust, because by approving this "broad, absolute, and unconditional amnesty," the Salvadoran state is being forced not to comply with its obligation to investigate and punish serious and systematic violations of human rights, which is its job, according to domestic and international law.

For all the aforementioned reasons, for the sake of truth and solid national reconciliation, we demand that:

1. Using the power vested in the president of the Republic, you vetoed Decree No. 486 known as the "General Amnesty Law for consolidating peace."

2. That you fully comply with the recommendations included in the Truth Commission report, in accordance with the commitment made upon signing the Peace Accords.

3. That you use the necessary resources for the Salvadoran population to clearly and satisfactorily learn the full contents of the Truth Commission report.

4. That, once all these demands are met, you summon a democratically popular election to determine if all Salvadoran society, as the main victim of the tragedy we want to overcome, and exercising a right that cannot be snatched away, be the one to decide if it is willing to forgive. If this is indeed the case, to establish an adequate mechanism or mechanisms to carry this out.

"Those who ordered, those who permitted, including those who entertained themselves as if they were in a Roman circus—with the captures, kidnappings, tortures, and murders—must hear the voice of justice." (Monsignor Oscar Arnulfo Romero, 11 November 1979)

Commentary on Alleged U.S. Cover-Up in Violations

PA2603145793 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 25 Mar 93

[Station commentary]

[Text] Certain political sectors of the National University of El Salvador report their authorities are under pressure from the Communist Party and the Farabundo Marti National Liberation Front [FMLN]. They do not want the directors to remove Fabio Castillo, who is accused of covering up corruption at the National University.

U.S. advisers in El Salvador have covered up human rights violations since 1977. Good grief, that is no secret. They know everything. They know what we are not allowed to know here. What you think your hiding, they already know. Why do we continue to fool ourselves? This is what we will discuss in this commentary.

It is interesting to see how far the dispute has gone, and we hope it does not get worse than a verbal dispute. We hope so, because ideas should continue to be fought with ideas at this highest house of study, which is the National University. Polarization of power groups there is a reality and cannot be hidden. There are internal power struggles at the university, which should not be hidden either. It is an absolute truth, which I hope continues as a verbal struggle and does not escalate into a confrontation between the forces from each side, which would lead to a bogus situation, as the kids say.

Where did the problem start and where is it headed? First, there is Mr. Fabio Castillo, who we all know as a man of strict discipline, strong personality, and clear ideas. He poured salt on the wound by accusing several sectors at the university of corruption, of getting paid for not coming to work, and of misusing university subsidies and other funding sources to form power groups for their own personal benefit. This, as has been confirmed, triggered bitter reactions from the Communist Party—which seeks to perpetuate itself in all the positions of power, as it did once before—and the FMLN. This should not happen in a place of higher education, where logically, reason and dialogue are what should prevail for the benefit of the university itself, partially destroyed by so many occupations in the past.

The other case is that certain international organizations have begun to say U.S. military advisers in El Salvador and the U.S. Embassy itself during the Ronald Reagan administration, hid important information about the groups, their funding, the death squads, and human right violations. This, my friends, is no secret. We journalists, who have been a part of the conflict, know it all very well. We told you what was in the Truth Commission report and what it hid, but the people know all about it. They know the names of those on both sides and who did this and who did that.

The United States, in its policy of intervention, has dictated the principles that must be observed here. This should not surprise us at all. On the contrary, we should have some dignity and at least admit the pressure the United States is exerting on us. The advisers, those from the political section, the members of the CIA at the embassy, those who keep a watch on communications, and all those who control various sectors in the country, know all too well—and have always known—who is involved in human rights violations. Did they pressure us? Of course they did. They always have. Former President Jose Napoleon Duarte recognized this at the end of his term, former President Alvaro Magana knows it, Colonel Rene Majano knows it, all the members of the revolutionary junta know it, and former President Carlos Humberto Romero knows it. If you ask all the former presidents still living, they can tell you where the pressure comes from and who dictates the policy. Why, then, are they outraged? Why do they shout and scream? No. They knew and the Reagan administration knew perfectly well where the shoe pinched in human rights. They would like to see us suck our thumb, but the time has passed when you could hide things from the people and when the people were considered ignorant. The people have always been wise.

Guatemala

Postal Workers Union Demands Inspection Office Closure

PA2603042493 Guatemala City EL GRAFICO in Spanish 24 March 93 p 5

[Text] The Guatemalan Postal Workers Union demands that the Postal Inspection Office, which is directly under the Presidential Staff and the G-2 [Army Intelligence Service], be closed because it violates the Constitution, according to a communique sent to EL GRAFICO.

The union claims that the military office has no current validity and leads to impunity, thus affecting the Guatemalan democratic process.

The communique adds: "We are convinced that if postal inspection exists worldwide, it is primarily to monitor drug-trafficking, explosive materials, flammable materials, and other such items. That process, however, should be part of civil society's demilitarization, and the Army should stop tampering with the mail."

The union members also request the intervention of the Office of the Ombudsman for Human Rights and the Archbishopric to clear up this situation, which violates Article 24 of the Constitution on the inviolability of mail, books and other items.

Defense Minister Denies Postal Espionage

PA2603143593 Guatemala City SIGLO VEINTIUNO in Spanish 25 Mar 93 p 6

[Text] General Jose Domingo Garcia Samayoa, the defense minister, has said he consulted with the Defense

Staff and that it was determined that none of its bodies, or those of the Intelligence Directorate, has offices at the Postal Directorate as charged by the postal workers union.

However, he added that his Ministry has been asked to undertake an investigation in light of the discovery of some robberies, specially of money orders. [preceding two words in English]

"For that reason, an investigator was sent, but that is all. That person has already been withdrawn from the office and, therefore, we can confirm there is no intelligence office at the postal service because it is not our job. We only cooperate in some investigations, such as the one just carried out," he said.

Deputy Communications Minister Carlos Montenegro made reference to the topic and said that, during the World War II and due to the presence of Germans in Guatemala, "a postal control office" was installed.

"I did not know it was still operating because the government does not check on the mail and does not control anything in that regard," he said. He added that he will talk to the deputy defense minister because "something like that has no reason to exist."

H .man Rights Attorney General Suspicions

On 24 March, Human Rights Attorney General Ramiro de Leon Carpio declared that "Guatemalans have always suspected espionage in the postal system."

Union leader Edgar Batres disclosed this week that members of the Army intelligence services (G-2) even have an espionage office located in the postal services headquarters.

Acc .ding to court magistrates [magistrados de conciencia] "it is a very serious matter to learn that a specific office could have operated for this particular purpose with the complicity of alleged military members."

As a result of the postal union disclosures, De Leon Carpio announced that he initiated an investigation into the issue because it is a very serious matter.

"Article 24 of the Constitution establishes and guarantees privacy and inviolability of the postal system, not only for all Guatemalans, but also for all persons living in Guatemala" the human rights attorney general indicated.

The human rights attorney general insisted that the aforementioned constitutional precept "is part of the guarantees granted to all individuals, therefore, if the reports are confirmed we would have a flagrant violation of the Constitution."

In addition, the human rights official pointed out that the reports made public by Batres are even more serious because it implies the theft of valuable documents."

IAPA Condemns Harassment of Country's Journalists

PA2503182193 Guatemala City PRENSA LIBRE in Spanish 24 Mar 93 p2

[Text] The Inter-American Press Association (IAPA) has vigorously condemned the harassment of Guatemalan journalists. The harassment is attributed to individuals linked with the country's security forces. IAPA urged President Serrano to guarantee newsmen the free exercise of their profession and the return of journalists in exile.

In a resolution approved unanimously on 23 March, IAPA stated that the next board of directors meeting will be held in Guatemala City in March 1994, as a sign of solidarity with Guatemalan journalists.

In addition, the conclusions of the Committee on Freedom of the Press and Information noted that "Guatemala is desperately trying to erase its old image as a country that violates human rights. However, this effort is being blocked by the harassment of the media."

The report added that "not a single perpetrator of brutal murders of Guatemalan journalists in recent years has stood trial. In fact," it further stated, "there is now a democratically elected president who maintains that he fully respects the freedom of the press. Instead, he incites attacks on newsmen, acts he claims to deplore."

It continued: "Death threats, physical attacks by armed bullies, burning of newspapers, dynamite attacks on journalistic installations, and attacks on the homes of press individuals are all carried out with complete impunity."

According to the IAPA report, "this is a result, at least partly, of the negative climate created by President Jorge Serrano Elias' verbal attacks on the press."

IAPA President Alejandro Junco de la Vega, director of Monterrey's EL NORTE, will visit Guatemala soon at the invitation of PRENSA LIBRE Director Mario Antonio Sandoval.

Junco de la Vega made this announcement during the meeting where the report on Guatemala was discussed. It was a report that was unanimously approved, as already noted.

IAPA holds two meetings a year. The next one will be held in San Carlos de Bariloche, Argentina, and the following will be held in Guatemala City in March 1994. At least 200 directors of newspapers, magazines, radio stations, and television newscasts of Latin America, Canada, and the United States will participate in these meetings.

The text of the IAPA resolution stated:

"Guatemala. Whereas, individuals presumably linked with the government's security forces have created a climate of fear and intimidation against the media and

the journalists, some of whom have been victims of attacks and others have had to leave the country.

"Therefore, the IAPA Board of Directors resolves: to condemn vigorously the harassment of Guatemalan journalists; express solidarity with them; urge the government to guarantee the free exercise of their profession and the return of exiled newsmen; and convoke the meeting of the IAPA Board of Directors in Guatemala City in March 1994."

* GDP Growth Exceeds 4 Percent in 1992

93CA0084C Guatemala City SIGLO VEINTIUNO in Spanish 14 Feb 93 p 5

[Text] Guatemalan Gross Domestic Product (GDP) grew by more than 4 percent during 1992, the highest rate in the last seven years. This is stated in a preliminary report entitled "La Economia de America Latina y el Caribe" [The Economy of Latin America and the Caribbean"], prepared by the Economic Commission for Latin America [ECLA].

The report points out that, once again, investment was the most dynamic element in the growth of overall demand, which exceeded 9 percent. This was achieved mainly by private investment, since the growth of the public sector was moderate.

The report adds that the increase in consumption was the highest during the past four years, stimulated by the increase in both public and private sector salaries. The ECLA added that in 1992 construction in Guatemala was the activity showing the greatest expansion for the second, consecutive year.

The increase in agricultural production fell to somewhat less than 3 percent, attributed to the decline in the prices of export products.

Regarding industrial production, the ECLA study added that it grew by almost 3 percent, higher than in 1991, thanks to the increase in real salaries, the decline in interest rates, and the dynamic growth of exports to the Central American Common Market.

Regarding "maquiladora" [assembly] plants, the ECLA report indicated that during the past five years they have been important generators of foreign exchange and jobs. Nevertheless, during 1992 this kind of activity remained stationary.

When referring to the Central American countries as a whole the ECLA report points out that these countries recorded economic growth of almost 4 percent, which represents the greatest increase since the crisis of the 1980's. The report concluded that the economic expansion affected all of the countries, with the exception of Nicaragua, which continued to be affected by recession.

* Monetary Board Increases Reserve Requirements

93CA0084B Guatemala City SIGLO VEINTIUNO in Spanish 24 Jan 93 p 3

[Text] At a special session held on 22 January the Monetary Board approved monetary, foreign exchange, and credit policy for 1993, following extensive discussions between representatives of the various economic sectors of the country, including the private and banking sectors in particular.

Lizardo Sosa Lopez, president of the Banco de Guatemala [Bank of Guatemala—Banguat] and of the Monetary Board, stated at a press conference that measures taken under Resolution JM-46-93 "had as their fundamental objective continuing to support the growing dynamism of domestic economic activity."

Among these measures he emphasized the action to increase the banking reserve rate to 10 percent. According to Sosa Lopez, "This will do the least harm to the country, provided that it does not cause losses to the Bank of Guatemala and will not allow additional growth in the money supply."

He said that the opposition of the private and banking sectors was "understandable." They argued that credit in the domestic economy is tending to become more expensive. As there are fewer quetzales in circulation, interest rates are going up.

He also emphasized two specific objectives of the Monetary Board: reducing the inflation rate to a level of about 8 percent and increasing the level of international monetary reserves by $162 million.

Regarding advances by the Bank of Guatemala to the central government, the resolution approved by the Monetary Board indicates that, "A goal for gross advances has been set at zero. That is, during 1993 there will be no new negotiations on advances to the central government."

At the same time the resolution set a goal of "achieving a net reduction in advances by the Bank of Guatemala to the central government of 430 million quetzales. In this connection a net reduction is defined as negotiations [of new advances by the executive branch of the government], less repayments, less changes in the level of deposits."

Sosa Lopez said that these measures are designed to be taken throughout 1993. However, that does not mean that they may not be changed, depending on our needs. For example, if inflation increases, changes will be made in March, June, and September 1993.

He added: "Nevertheless, the proposed goals will not change. Therefore, it is expected that inflation will be about eight percent, international monetary reserves will be increased by $165 million, and Gross Domestic Product will grow by no less than 5 percent."

He recalled that in 1992 the Bank of Guatemala had 652 million quetzales in operational losses. With the measures taken it is hoped that, although they will be large, they will only amount to 500 million quetzales.

In referring to the public auctioning of foreign exchange he recognized that the purpose of proposing this action was to approach a rate of exchange under market conditions. Nevertheless, there will be no change in this respect for an indefinite period of time.

The rate of required banking reserves will be increased gradually to 10 percent on bearer securities to which Resolution JM-251-90 refers, under a specific program.

The program provides for a gradual increase of 1.5 percent on 1 and 15 February, 1 March, 1 April, 1 May, and 1 June. A final increase of 1.0 percent will be made on 1 July.

Sosa pointed out that the measure, which encountered considerable opposition within the Monetary Board itself, will not affect the growth of economic activity, since it is estimated that credit to the private sector will grow by about 900 million quetzales above the level reached in 1992.

* Tax Law Specialist Opposes Value Added Tax

93CA0084A Guatemala City PRENSA LIBRE in Spanish 7 Feb 93 p 12

[Text] In a previous issue of PRENSA LIBRE, published in January 1993, you can read the following on page 52: "The Directorate General of Domestic Revenue reported an increase of 307 million quetzales in collections under the Value Added Tax (VAT), the Ministry of Public Finance reported yesterday." Further on in the article the ministry added: "The total amount collected by this tax was about 1,350 million quetzales."

We might add that this is the depth of cynicism and amounts to 1,350 million cases of injustice. Let us see why.

The VAT is a typically indirect tax and, as such, does not take into consideration the ability of a person to pay it. It is indirect because an intermediary collects it. However, in fact the ultimate consumer pays it. In this sense, the report from the Ministry of Public Finance is mistaken when it states: "In 1991, 60,000 people paid the VAT, a figure which increased to 90,000 in 1992." This is a gross error on the part of the ministry, since, with the collection of the VAT extended to the whole country, those who pay it are not 90,000 taxpayers but about 9.0 million Guatemalans. This is so, since all of us pay the VAT, with greater or lesser frequency, whether we like it or not. What is happening is that the Ministry of Public Finance defines taxpayers as those who are nothing more than tax "retainers" or, speaking legally, "those responsible for collecting the debts of others."

Furthermore, the VAT is a totally unjust tax. This is true because, in the first place, when it became a general tax, it affected all products consumed in the country, including, clearly enough, those consumed by the ordinary people and food products. In the second place it is unjust because it affects equally, at a rate of 7 percent, essential and necessary consumption as well as the consumption of luxuries and superluxuries. For example, how is it possible that we should pay the same 7 percent of VAT when we buy a pound of corn or beans, a Christian Dior shirt, or a Mercedes-Benz automobile? This is an attack on tax justice, and it violates Article 243 of our constitution, which confirms the principle of one's ability to pay. Furthermore, it mercilessly increases the cost of essential goods and services consumed by 80 percent of our people who are categorized as poor and who, in addition, live under miserable conditions.

However, the depth of the cynicism involved in the 1,350 million cases of injustice is not reached there. Further on, in the note which we commented on, we may read: "Regarding income tax (ISR), this reflected a decline of almost 30 million quetzales, compared to 1991, because the total amount collected in 1992 was 960 million quetzales." So this means that the collection of income tax, the best example of a direct tax and, consequently, one of the fairest taxes in the tax system, was almost 400 million quetzales less than what was collected by the VAT, which is the most unfair tax in the Guatemalan tax system. Undoubtedly, the minister of finance has more than enough reason to feel proud, contented, and satisfied.

Nevertheless, the cynicism and injustice does not stop even there. If we add what was collected in 1992 by all of the taxes which appear in the note which we commented on, we will see, with deep sadness, that what was brought in under the VAT amounted to almost 45 percent of total tax collections. Now we can understand why the minister of finance was not afraid to advocate the expansion of the VAT and why neither arguments about tax injustice nor the increase in the cost of living, which such an expansion was bound to produce, disturbed him. Still less was he concerned that the VAT would be paid by the poorest and neediest elements among the people in the country. Why should hunger and misery among the Guatemalan people be important to a minister of finance, accustomed only to filling his pockets, when the VAT promised to be the milk cow of the national tax system?

Well, now, the real depths of cynicism were reached in announcing the fact that the minister of finance obtained such an amount of income from taxes as a result of the expansion of the VAT, evidently considering it as a complete success. He forgot that those 1,350 million cases of injustice not only led to making the present government increasingly unpopular. Those same cases of injustice caused blood to flow in the hungry stomachs of the poorest people of Guatemala.

An act of injustice can be pardoned. However, injustice which is flaunted, presumptuous, and ostentatious should never be forgiven.

Honduras

Decree on Public Spending Adjustments

PA2503200393 Tegucigalpa EL HERALDO in Spanish 24 Mar 93 p 2

[Decree issued by President Rafael Leonardo Callejas in the Council of Ministers in San Jose—date not given]

[Text]

Decree Number: [no number as published]

The constitutional president of the Republic in the Council of Ministers establishes that:

- Whereas: Applying what is established in Article 91 of the Organic Budget Law, the Executive Branch is authorized to establish the procedures it may consider necessary to exercise adequate control of public spending.
- Whereas: It is a policy of the current government to continue strengthening its efforts to truly and substantially reduce the fiscal deficit generated by the central government as well as by the decentralized state institutions.
- Whereas: An effective way to ensure the reduction of the fiscal deficit is by specifically establishing public spending reductions during the 1993 fiscal year.
- Whereas: In accordance with Article 245 of the Constitution of the Republic, the president of the Republic must administer public finances and dictate extraordinary economic and financial measures.

Therefore, the following "Public Spending Adjustment Measures" have been decreed [All figures as published]:

Article 1

The public administration must reduce the approved expense budget for the present fiscal year by 680,689,300 lempiras (L680,689,300.00) as follows:

Central Government	L250,689,300.00
Decentralized Institutions	L430,000,000.00
Total	L680,689,300.00

Article 2

To achieve the goal of controlling the fiscal deficit, the following reductions at the branches of state, ministries (titulos) and decentralized institutions have been established as follows:

A. Central Government (value in thousands of lempiras)

	Funds		
Department	Domestic	Foreign	Total
Legislative Branch	2,834.4		2,834.4
Executive Branch	72,254.9	75,600.0	247,854.9
Government and Justice	230.0		230.0
Foreign Relations	182.7		182.7
Defense and Public Security	10,000.0		10,000.0
Economy and Commerce	560.2		560.2
Finance and Public Credit	2,317.9		2,317.9
Culture	110.0		110.0
Labor and Social Security	140.0		140.0
Communications, Public Works and Transportation	40,000.0	50,600.0	90,600.0
Natural Resources	1,023.1		1,023.1
Planning, Coordination and Budget	191.0		191.0
Executive Branch Public Spending Centralized Services	17,500.0	125,000.0	142,500.0
Total	75,089.3	175,600.0	250,689.3

B. Decentralized Institutions

Institution	Total
Autonomous Institutions	86,200.0
Honduran Cooperative Institute	200.0
Honduran Social Security Institute	5,600.0
National Agrarian Institute	800.0
National Institute for Professional Training	7,600.0
National Institute of Government Employees:	
Retirements and Pensions	40,400.0
National Institute for the Protection of the:	
Teaching Profession	30,300.0
National Infancy Patronage	1,300.0
Nonfinancial Government Companies	343,800.0
National Basic Products Supplier	1,200.0
Honduran Telecommunications Enterprise	76,300.0
Honduran Forest Development Corporation	14,100.0
National Enterprise for Electric Power	166,900.0
National Autonomous Aqueduct and Sewage Service	52,100.0
Honduran Coffee Institute	3,700.0
Honduran Agricultural Marketing Institute	300.0
Sum	430,000.0
Total	680,689.3

Article 3

The boards of directors at the decentralized institutions must immediately establish pertinent measures to reduce their respective expense budgets, in accordance

with the ceilings detailed in Article 2. To this end, they will issue resolutions and other pertinent administrative documents.

Article 4

Allotments for diverse professional and technical services will be used only to contract technical personnel as planned and approved in the original programs and projects.

Article 5

The sums generated by these reduction measures, especially from public investment allotments, cannot be used for any other purpose.

Article 6

Vacant positions will be filled and emergency employees hired only in highly justified cases, after having obtained the approval of the General Budget Directorate.

Article 7

Maximum limitations must be imposed on overtime pay, which is reserved only for urgent activities and special situations.

Article 8

Budget modifications that transfer investment or public debt service allotments to bolster operational expense allotments are not allowed.

Article 9

Secretaries of state in the centralized administration and boards of directors, managers, directors, executive secretaries or presidents in the decentralized administration will be responsible for the failure to fulfill the measures established in this decree.

Article 10

The Finance and Public Credit Secretariat through the General Budget Directorate and the decentralized institutions' General Treasury, will be in charge of controlling the fulfillment of the measures established in this decree. All of the branches and institutions of the central and decentralized public administrations must provide any information required for the achievement of these goals. Likewise, the Finance and Public Credit Secretariat is authorized to issue judgments regarding the interpretation and/or modification of measures established in this decree.

Article 11

This decree will be effective on the date of its approval and must be published in THE GAZETEER, the official newspaper. [signed] President Rafael Leonardo Callejas Romero

Roque Ruben Pascua Rivera, acting secretary of state of the Government and Justice offices.

Yolanda Barahona de Suazo Tome, acting secretary of state of the Foreign Relations Office.

Carlos Chain, secretary of state of the economy and commerce offices.

Rene Ardon Matute, secretary of state of the finance and public credit offices.

Lazaro Avila Soleno, secretary of state of the defense and public security offices.

Carlos Torres Lopez, secretary of state of the labor and social security offices.

Marco Tulio Carranza, acting secretary of the public health office.

Jaime Martinez Guzman, secretary of state of the public education office.

Mauro Membreno Tosta, secretary of state of the communications, public works and transportation offices.

Zonia Canales de Mendieta, secretary of state of the culture office.

Mario Nufio Gamero, secretary of state of the natural resources office.

Orlando Funez, secretary of state at the planning, coordination and budget offices.

Jose Tomas Guillen Williams, executive director of the National Agrarian Institute.

Congress Rules on Military Code of Laws

PA2603035893 San Pedro Sula TIEMPO in Spanish 25 Mar 93 p 5

[Decree on the Military Code of Laws issued by the National Congress on 24 March in Tegucigalpa]

[Text] The National Congress approved a decree on 24 March that interprets the second paragraph of Article 90 of the Constitution. It is understood that the Military Code of Laws is the collection of military penal legislative laws to be applied by military courts against Armed Forces members who, while on leave or on duty, commit crimes or errors of a strictly military nature.

The following is the complete text of the decree:

National Congress

- Whereas: The sovereign National Congress has the exclusive right to create, decree, interpret, reform, and repeal the laws of a general obligatory nature.
- Whereas: The Constitution of the Republic acknowledges the Military Code of Laws for crimes and errors of a military nature.
- Whereas: The Military Code of Laws can only be

applied exceptionally to those cases that affect the Armed Forces as an institution in actions that are performed in the fulfillment of duty, that are inherent to the position, or in carrying out military service tasks.

- Whereas: The Military Code of Laws should be applied based on circumstances and not on the individuals involved.

Therefore it decrees:

Article 1

To interpret Article 20 of the Constitution, Paragraph 2, so the "Military Code of Laws" is understood to be the collection of military penal legislative laws to be applied by the military courts against Armed Forces members who, while on leave or on duty, commit crimes of a strictly military nature. In case of conflict regarding jurisdiction insofar as whether the crime is common or military penal in nature, it shall be considered within the jurisdiction of common law.

Article 2

The current decree will go into effect on the date of its approval and should be published in LA GACETA, the official newspaper.

Issued in Tegucigalpa, Municipality of the Central District, at the sessions hall in Congress on 24 March 1993.

Nicaragua

Ambassador Robelo Does Not Admit Paying Ransom to Urbina

PA2603043193 Managua Radio Corporacion in Spanish 2200 GMT 25 Mar 93

[Text] Alfonso Robelo, Nicaraguan ambassador to Costa Rica, has not admitted that he paid any money to Jose Manuel Urbina Lara, head of the Yolaina Commando unit that seized the Nicaraguan Embassy in San Jose for 14 days. Robelo said the money given to Urbina Lara was delivered directly by the Chamorro administration negotiators. When reporters asked Robelo where the money came from, he said: I cannot answer. The important thing was to save 25 people held hostage at the Nicaraguan Embassy in San Jose.

Alfonso Robelo's statement implies that the Nicaraguan Government is lying when it repeatedly states that it did not have money to give the Yolaina group and that the money came from Robelo's family.

UNO Representative on Lacayo Statements

PA2503193093 Managua Radio Catolica in Spanish 1100 GMT 24 Mar 93

[Interview with Miriam Arguello, deputy and National Opposition Union, UNO, representative, by unidentified reporter in Managua—live]

[Text] [Reporter] Deputy Arguello, now that Antonio Lacayo has returned home he is changing a bit the original information we had received from the United States. The first change is regarding the commission. He said it would not be a truth commission similar to the one that caused so much commotion in El Salvador, rather it would be a commission of friends. This is the outcome of a suggestion by two congressmen who told him this was convenient and Lacayo accepted.

Then, there is the issue of the national dialogue. From the start he has conditioned the dialogue and he already has set out some its aspects. He said it is not a change of direction, rather, it is sort of a joint effort by Nicaragua to get ahead, to condemn terrorism, to condemn violence, and so forth. We would like to hear your opinion on this as a National Opposition Union [UNO] representative.

[Arguello] In the first place, we will talk about the dialogue. When Antonio Lacayo talks about the dialogue, it seems that either he does not want to understand or he wants to appear... [pauses] or he wants us to seem like fools or he wants the public to seem like fools with regard to the serious problem in Nicaragua and the aforementioned national dialogue. He knows very well that the UNO is willing to attend a dialogue. The UNO has always been willing, however, this dialogue must be broad, frank, sincere, and truthful. Besides this, we have always upheld that we will not attend a dialogue with preset conditions. When one wants to discuss the serious problems facing a nation one must sit down and focus on the matters broadly. One cannot accept an invitation that states: You can come but you cannot talk about this, that, or the other. The nation is not in a condition to accept a situation of that nature.

In the second place, up until now, the UNO has not received an official invitation to sit down and talk from the executive, from President Violeta Chamorro who is head of state, the head of the government, and who is responsible for the government actions. Antonio Lacayo talked about this at San Pedro de Lovago, he mentioned it in broad terms, but the truth is that it is President Chamorro who must send an invitation to the UNO Political Council. The council represents the 10 political parties which make up the UNO because it was the UNO political parties that supported President Chamorro and Virgilio Godoy's candidacy.

President Chamorro made commitments to the UNO, and in turn we made commitments to the people. All of this is to focus on Nicaraguan problem. I believe that Lacayo, at this stage of the game, the way things are stand, should be a little more serious regarding these matters. We, as UNO, are willing to have a serious, sincere dialogue to focus openly on Nicaraguan problems. We must solved these problems responsibly. By that I mean that he should not take this situation lightly. Lacayo is not going to fool anyone as far as the seriousness of the Nicaraguan situation. In the United States he

was told that there is no aid until all the dark situations in Nicaragua are resolved and cleared up. He knows the situation very well.

Regarding the investigation commission, he should not try to distort the words. We have in our possession, although I do not have it here with me right now, a copy of the document, rather, the letter that three U.S. congressmen, including Christopher Smith, handed to Mr. Lacayo when they met. The lawmakers proposed the commission's arrival. I am holding a letter written by Mr. Smith to the UNO Political Council, dated 23 March. The 23d was yesterday, correct? We received it yesterday afternoon.

It reads: From the U.S. Congress, House of Representatives, Washington, and is signed by Congressman Christopher Smith; Managua, Nicaragua. The letter, of course, is in English and I have not translated it yet. The second paragraph reads as follows: The creation of the investigation commission, investigation commission [preceding two words in English]... [pauses] is that clear? This is the name the representative gives it. In estigation commission. He asks UNO for reaction to the proposed commission. In other words, he wants UNO to give him its views, or its opinion, on that commission. I would appreciate very much receiving from the UNO Political Council your reaction to this proposed commission. [preceding sentence in English] Please feel free to remain in contact with me on the proposal, as well as on other matters pertaining to relations with Nicaragua. That is the second sentence of the letter.

UNO Councilmen State Demands

PA2503163693 Managua LA PRENSA in Spanish 23 Mar 93 pp 1, 12

[Report by Roger Alonso]

[Text] Boaco—National Opposition Union [UNO] councilmen met in Boaco and agreed to join other national groups in demanding "a change of direction" [un golpe de timon] in the Executive Branch. They also demanded a sincere and open national dialogue.

Matagalpa Mayor Frank Lanzas announced the agreement reached by the councilmen elected by the Nicaraguan people in the historical 1990 elections.

The councilmen said in 1990—when they received a country in bankruptcy, destroyed, and divided—they viewed the possibility of building a democracy based on the state of law, respect for human rights, and the promotion of social justice. They wished to develop an economic model that would bring well-being and progress to all Nicaraguan citizens.

They added that those objectives, which were given priority in the UNO government platform, have been threatened by the established government. A breach has opened between the UNO political forces and the government, causing the isolation of the UNO and minimizing its demands for full compliance with the government program that President Violeta Chamorro is morally and ethically committed to implement.

The UNO councilmen stressed that growing polarization, human rights violations, lack of security, violence, and administrative deficiencies have become "our daily bread."

They noted that the crisis in the National Assembly is another cause of domestic instability and those directly involved have not shown any willingness to find a solution.

The councilmen said that citizens' reports of corruption and mishandling of public property for personal gain are increasing. There are also threats to municipal autonomy and the strengthening of mayoralties. To prevent state decentralization, citizens are being discouraged from exercising political control and putting economic pressure on local governments.

The councilmen said it is obvious that there is no serious plan to reactivate the economy in their respective municipalities and to overcome the situation of misery, unemployment, and profound social crisis that citizens are confronting.

After discussing these issues, the UNO councilmen unanimously agreed on the following actions:

1. Join other national groups demanding "a change of direction" in the Executive Branch, its reconciliation with the UNO forces, and its return to the original government plan.
2. Demand a negotiated solution to the National Assembly crisis by establishing a board of directors in which all political forces are represented on a percentage basis, and have UNO rights as a recognized majority party.
3. Invite our fellow citizens to reject acts of violence, regardless of the reasons. Invite them to demand the immediate professionalization of the Armed Forces and police and their subordination to civilian power, and the dismantling of the state security office known as the Information Directorate for Defense, DID.
4. Demand the total reorganization of the Judicial Branch, since its current form contributes to politicization and partiality.
5. Demand the investigation of all charges of administrative corruption and punish those found guilty.
6. Demand the transfer of additional funds and responsibilities to our respective local governments to strengthen municipal autonomy and to decentralize the state.
7. Demand that the Executive Branch change its plans of subjecting and controlling local governments.
8. Demand the establishment of a serious and effective social program with the participation of local governments.

9. Invite all national sectors to begin immediately a sincere and open national dialogue for finding adequate solutions to the dramatic political, economic, and social crises our country is currently undergoing. The current historical moment requires us to take intelligent, sensible, and patriotic positions.
To that effect, we propose the creation of a National Honor Commission comprised of councilmen, mayors, and persons of unquestionable honesty to serve as liaison with the OAS and UN Commission.
We demand that the Sandinist Peoples Army, EPS, suspend all repressive actions against peasants.
10. Support the tripartite commission investigating crimes committed by the EPS and the Sandinist Police during the past three years. Openly support the OAS and UN initiative to create a commission to investigate corruption charges against the Nicaraguan Government. Those investigations, however, should cover the period from 1979 to the present.
11. Support the creation of a Union of UNO Councilmen.

Panama

Poll Shows Panamanians Favor Continued U.S. Support

PA2603044293 Panama City EL PANAMA AMERICA in Spanish 25 Mar 93 p 1

[Article by Eduardo Soto]

[Text] Most of the 1,200 citizens who responded to a Central American CID [Multispecialty Development Counselors]-Gallup poll believe that Panama is "very dependent" on the United States and that Panamanians can only solve their problems with U.S. support.

Eight out of 10 Panamanians agreed that their country depends on the United States, whose army invaded Panama in 1989. Of those polled, 75 percent believe the United States should continue to give economic aid, because otherwise Panama "cannot prosper."

Among those polled, 18 percent believe Panama does not depend on the United States.

Some 7 out of every 10 people polled think the United States should continue to aid Panama.

Of the 1,200 people polled between February 25 and 5 March, only 25 percent think Panama should stop depending on the United States and that the United States should stop giving aid to Panama.

CID-Gallup data reveal that Panamanians "do not see themselves as very hardworking." Most Panamanians interviewed said "they cannot prosper as a people based simply on their work," and that they need aid from the United States.

Among the people polled, 60 percent believe that Panama's progress does not depend on the efforts of Panamanians, but on the support the United States can give.

Victims of Former Regime Form Movement Against Amnesty

PA2503220593 Panama City EL PANAMA AMERICA in Spanish 25 Mar 93 p 2a

[Article by Arnulfo Barroso Watson]

[Text] Relatives of victims of the previous military regime announced on 24 March the creation of a National Movement for Justice in Panama [Movimiento Nacional por la Justicia en Panama] to prevent the inclusion of people accused of murders, embezzlement, and human rights violations in a possible general amnesty.

Luis Eduardo Camacho, brother of murdered student leader Jorge Camacho, said that at 1730 [2230 GMT] on 29 March people who were victims of abuses by the previous regime will march from Porras Plaza to the Legislative Assembly to request the floor and tell the various benches that they will not permit the promulgation of a general amnesty law.

He stressed that the objectives include contacting victims of human rights violations or their relatives, heading the struggle against the approval of a general amnesty for crimes such as homicide, embezzlement, and human rights violations, and demanding the prompt completion of judicial processes.

The movement was announced at a news conference attended by relatives of Marlene Mendizabal and Emilio Falconett, murdered on 31 January 1976 in Mariato, Veraguas Province; Jorge Camacho, murdered on 14 June 1978 at the University of Panama; and Juan Cajar, murdered on 7 May 1989 at a polling place in Calidonia.

Camacho rejected a possible amnesty for Major Felipe Camargo, Colonel Luis "Papo" Cordoba, Roberto Gomez, and those involved in the murder of Hugo Spadafora and Fathers Hector Gallego and Nicolas van Kleef.

He invited members of the Spadafora, Baules, Mitrotti, Britton, Miro, Barrantes, Gonzalez Santizo, and Moreno families, among others, to join the movement.

Argentina

Di Tella Says 'Momentous Events' Regarding Falklands To Take Place

PY2503204893 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1400 GMT 25 Mar 93

[Text] Buenos Aires, 25 March (NA)—Foreign Minister Guido di Tella said today that "momentous events" will take place tomorrow regarding the Malvinas Islands issue during his private visit to London. He then said that Eduardo Bauza, the secretary general of the Presidency, "has been made the scapegoat" for alleged corrupt practices concerning Italian donations.

Di Tella stated that "I do not wish to announce things that are of the utmost importance before they actually occur tomorrow."

Di Tella, who is making a private visit to London, said he had chosen "diehard politicians as interlocutors to discuss the Malvinas Islands issue because they are the ones who need to be brought round."

He said that he had met members of the Southwest Atlantic Club, frequented by members of both houses, the Lords and the Commons (deputies), who are "rabid hard-liners," though he commented that the outcome of "the meeting was most satisfactory."

Di Tella said: "We got to the bottom of the question and could pinpoint where our views on the subject clash."

He added that he also held an unscheduled meeting with Kelpers and said that he "had this feeling that a generational change is in the making on the islands."

Di Tella made it clear that, on the one hand, the islands council "did not want" the Argentine foreign minister to meet Kelpers' representatives in London.

"By a 5 to 3 vote, they voted down the motion to meet with us," but "the truth is that they came off badly and showed that there are two different viewpoints on the islands."

Di Tella will hold a private meeting today with Tristan Garel Jones, UK deputy secretary of state for foreign and commonwealth affairs. This morning di Tella met Norman David, "a hard-line Thatcherite," with whom he had "an amiable conversation."

Upon being asked about allegations of corrupt practices concerning the donations Italy made to Argentina within the framework of cooperation agreements between both countries, di Tella answered that "all the funds have been administered by Italy and an Italian company."

Di Tella was most emphatic that "neither the Foreign Ministry nor the secretary general of the Presidency nor any other government agency has ever administered any funds" from the aforementioned donations, he told Radio America.

He said the whole affair "annoys" him and underlined the fact that "some people have had it in for Bauza, making him a fall guy, when in fact he is one of the most efficient, self-sacrificing, and hard-working officials in the government."

To conclude, di Tella said: "I consider him a very good friend and (what is happening to him) is a terrible injustice."

Foreign Ministry: Government Not Involved in Italian Donation

PY2503173393 Buenos Aires TELAM in Spanish 0205 GMT 24 Mar 93

[Text] Buenos Aires, 24 Mar (TELAM)—The Foreign Ministry this evening stated that the Argentine Government "is not involved at all in the management of Italian funds for the construction of houses in critical zones in our country."

Through a communique, the ministry reports that within the framework of Law No. 49/78 of the Italian Republic, "the government of which granted a special donation of $59 million for the construction of houses in several critical zones in our country, which is under implementation."

The communique states that "the donation is being channeled, in keeping with an Italian Government decision, through two Italian enterprises: Italgenco and Bonifica S.P.A."

"As is standard practice in case of donations, the funds for that project are being managed by the Italian Government through the above mentioned enterprises, without any Argentine Government involvement," the communique adds.

Military Firearms Factory To Sell Products Directly

PY2503220293 Buenos Aires TELAM in Spanish 1726 GMT 20 Mar 93

[Text] Rosario, 20 March (TELAM)—Lieutenant Colonel Raul Andres Ara, director of the Domingo Matheu Military Firearms Factory, reported the factory will sell its products directly to local and foreign purchasers. He made this announcement during a tour of the factory by a delegation of ministers from coastal provinces and provincial lawmakers.

Ara made it clear that "the arms trading system has been changed, considering that arms sales have always been channeled through the General Directorate of Military Industries."

Ara told journalists who also toured the facility that "the sale of weapons was transferred to the Domingo Matheu Military Firearms Factory, which will now sell them to provincial police nationwide."

He said that "the factory also plans to offer additional services, including the repair of secondhand weapons and the sale of spare parts."

Ara stated that "important negotiations are being conducted to sell the weapons on the international market, but he did not reveal the countries involved in the negotiations."

Bolivia

Government, COB Adopt Resolutions for Salary Increases

PY2503191693 La Paz Television Nacional Network in Spanish 1700 GMT 25 Mar 93

[Text] During the first four hours of 25 March, negotiations were held between government and COB [Bolivian Labor Federation] delegates. The resolutions adopted during the negotiations provide for salary increases ranging from 9 to 20 percent. Teachers and miners, however, are not satisfied with the agreement.

Interior Minister Carlos Saavedra Bruno has praised the conciliatory attitude of both sides.

[Begin Saavedra recording, in progress] ...for the efforts toward reaching this agreement, along with the efforts by the government. Beyond the specific terms of the agreement, I would like to emphasize four topics: First, that dialogue and accord have finally prevailed in Bolivia; that is, Bolivia is becoming the country of dialogue, not the dialogue of the government but the dialogue of all Bolivians, in which workers undoubtedly play a major role.

This is the fourth consecutive year in which the government of President Jaime Paz Zamora has reached an agreement with labor sectors. If we analyze the salary increases, which are central to agreements, we will see that salaries were increased each year beyond inflation. This means a net improvement of the purchasing power of salaries. [end recording]

Information Minister Jose Luis Lupo said that there are neither winners nor losers because the negotiations sought to meet all the demands of Bolivian workers.

[Begin Lupo recording] All the demands were taken into account and a document was drawn up and then submitted to the press. This document, which has been made public, shows the agreement reached on the two points on which there were discrepancies. These points are public enterprises, specifically the case of mining enterprises and the salary issue.

The last part of the agreement states that the COB will lift all coercive measures and that the government will obviously lift all military and police control measures.

Consequently, as of today we return to total normalcy after approximately 23 days of negotiations. [end recording]

Brazil

Unidentified Person Throws Molotov Cocktail in German Consulate

PY2503225193 Madrid EFE in Spanish 2127 GMT 25 Mar 93

[Text] Belo Horizonte, 25 Mar (EFE)—An unidentified person threw a Molotov cocktail into the honorary German consulate today in Belo Horizonte, Brazil. According to police sources, no casualities resulted.

According to eyewitnesses, after barging into the building and detonating the bomb against the bathroom walls, the tall, dark-skinned individual rushed out shouting: "This is a protest."

Joaquin Voger, who is in charge of the consulate, said he ignores the causes of the attack, and the German Embassy in Brasilia chose not to make any comments.

* Iranian Foreign Minister Views Relations

93SM0190D Brasilia CORREIO BRAZILIENSE in Portuguese 17 Feb 93 p 13

[Article: "Foreign Minister of Iran Wants Increased Brazilian Presence in Middle East"]

[Text] Iranian Minister of Foreign Affairs Ali Akbar Velayati announced yesterday during an interview at the Brazilian Ministry of Foreign Affairs that Tehran has "many strategic plans" for Brazil. Although he did not go into detail, he added that Tehran intends to persuade our country to participate in the economic and restructuring plans of 10 other Muslim countries. On several occasions he diplomatically dismissed questions about cooperation in the areas of armament and nuclear energy, pointing out that those topics were not part of the discussions by the joint commission.

The visitor—who from here will go on to Mexico and Cuba—pointed out that agreements between our two nations may soon total $2 billion, although he acknowledged that "there is still a lot to do before we reach that figure." He announced that his country's minister of agriculture was coming to Brazil to speed up negotiations in that area and that the Brazilian minister of foreign affairs, Fernando Henrique Cardoso, had accepted his invitation to visit Tehran on a date to be agreed upon at the proper time.

Equilibrium—The minister also said there would be improved equilibrium in trade between the two parties, since Iran has promised to buy an "appreciable volume" of refined white sugar, soybean products, spare parts, chicken, meat, fishing products, and metals from Brazil. It will also support the setting up of a chamber of commerce with Brazil and the establishment of a direct ocean link before this year is out. He also said it was "indispensable" for the two nations to engage in "productive industrial and technological cooperation," including technology transfer.

He alluded to the fact that Iran considers Brazil to be its "most important partner" in Latin America and that that friendship "is tending to become closer at a time when the parties are reaching understandings with each other in the most varied areas and always in an atmosphere of mutual respect."

Government To Allot $180 Million for Drought-Stricken Areas

PY2603015793 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 25 Mar 93

[Report by Luiz Gonzaga Capaverde from Porto Alegre]

[Text] The federal government will allot $180 million to combat cholera. This was reported in Porto Alegre during a congress on Basic Sanitation Services for Life by National Basic Sanitation Services Secretary Antonio Magcilia Neto. One of the strategies, he said, will be to send water tank trucks to the areas most affected by the drought in the northeastern region.

In drought-stricken areas, the secretary said, people drink water wherever they find it, which is very risky in areas where there are no sanitation facilities. Magcilia expressed regret that the $2 billion or $3 billion originally foreseen for the drought-stricken region in the national budget will be reduced to $850 million, according to the cuts implemented by Congress. He believes, nonetheless, that if the amendments that are being discussed in Congress are approved these funds will rise to $1.3 billion. According to the national basic sanitation secretary, about $25 billion worth of investments in basic sanitation should be made to provide 100 percent of Brazilian houses and residences with running water and sewage services.

PSDB President on Possibility of Running With PT's Lula

PY2503185593 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Mar 93 section 1 p 8

[Article by Aziz Filho, from the Rio de Janeiro Bureau]

[Text] PSDB [Brazilian Social Democracy Party] President Tasso Jereissati confirmed on 22 March the possibility of becoming the vice presidential candidate on the ticket headed by PT [Workers Party] President Luis Inacio Lula da Silva. Jereissati said that the fact that the PT has opted for the presidential system "makes somewhat difficult but not impossible," the possibility of a Lula-Tasso ticket.

Jereissati said that an alliance with Lula would be "very probable" if the parliamentary system wins in the upcoming plebiscite. He lamented the fact that the members of the PT support the presidential system: "The PT will be with our adversaries in the succession." Jereissati said this at the Chamber of Councilmen of Rio de Janeiro, Cinelandia (downtown area), during a ceremony at which former Mayor Marcello Alencar (former member of the PTD [Democratic Labor Party]) announced that he had joined the PSDB. Foreign Minister Fernando Henrique Cardoso, Social Welfare Minister Juthay Magalhas Jr., Sao Paulo State National Senators Mario Covas and Eva Blay, National Deputies Jose Serra (SP) [Sao Paulo State] and Sigmarina Seixas (DF) [Federal District], and Salvador City Mayor Lidice da Matta were in attendance.

Commenting on the relations with the PT, the foreign minister said that the 1994 elections will be general elections and this "will cause the parties to seek alliances." Cardoso termed the PT's attitude toward the question of the presidential system as "unseemly" and "old hat."

It is former Mayor Marcello Alencar's opinion that the PT is the main force for the PSDB's alliance policy. A candidate for the state governorship in 1994, Alencar said that the plebiscite will not cause a confrontation between the two political parties. "The selection does not have any ideological hue," he said.

On leaving the building to board the bus that would take them to the western area of Rio de Janeiro for the membership party, the members of the PSDB were hooted and abused by some 20 militants from Brizolandia, a group of people that support [Rio de Janeiro State Governor Leonel] Brizola and who meet every day in Cinelandia. Alencar left the building to shouts of "traitor."

* Divided PFL Examines Options for Future

93SM0190B Brasilia CORREIO BRAZILIENSE in Portuguese 21 Feb 93 p 3

[Article by Claudio Moema: "Divided PFL Examines Three Options for its Future"]

[Text] In its nine years of existence, the PFL [Liberal Front Party] has never been as divided as it is now. Its members disagree on everything: the best system of government (parliamentarism or presidentialism), its internal leaders, the strength of the existing groups, and even the party's external image—some say it is very much a northeastern party, while others say no. The situation has reached the point that one of the PFL's stars, former Governor and Federal Deputy Roberto Magalhaes (Pernambuco), lists three solutions for the party, and one of them is a split. He says: "The only thing is that no one knows who will leave and who will stay."

The disagreement is most obvious when it comes to the groups that have formed and their leaders. The first is the Bahia group, that being the internal name for PFL members who take orders from Bahia Governor Antonio Carlos Magalhaes [ACM]—and who, for that reason, are also known as "Carlists"—although not all of them are actually from Bahia (Ricardo Fiuza of Pernambuco, for

example). This group includes such people as Jose Carlos Aleluia (Bahia), Manoel Castro (Bahia), and, of course, its leader Luis Eduardo Magalhaes, ACM's son.

At the other extreme is the Sarney group, which takes orders from the former president and senator from Amapa, Jose Sarney (PMDB [Brazilian Democratic Movement Party]). Its members include former Ministers Jose Reinaldo (Maranhao) and Vicente Fialho (Ceara) and, of course, Sarney's children Roseana Sarney (Maranhao) and Sarney, Jr. (Maranhao). There is also Marco Maciel (Pernambuco), who controls not only a good share of the Pernambuco bloc but also deputies from other states. He has the support, for example, of Paes Landim (Piaui). Lastly, there are independents such as Roberto Magalhaes, Sandra Cavalcanti (Rio de Janeiro), Francisco Dornelles (Rio de Janeiro), and, according to some, the president of the party, Jose Mucio Monteiro (Pernambuco), although he moves in all areas.

If the dissension stopped there—with internal disagreements—there would be nothing new about it, since most parties have factions. Opinions differ when it comes to saying which faction is most influential and strongest. "The Bahia group is most influential because it is the largest and the one with the most firepower because it extends into Piaui, Pernambuco, and other states," says independent Roberto Magalhaes. He says his own "faction" may actually be the largest, but it will never be strong "because it is a universe, not a group."

And Maciel-supporting Deputy Paes Landim says that if the Sarney group wants to start a confrontation, it will be the strongest. The reason is named Roseana Sarney, whom Landim describes as "a great organizer." In his opinion, the Sarney group is larger than the Bahia group. Senator Marco Maciel tries not to exacerbate the internal dissension, saying that the PFL has no bosses. It has leaders. "That is natural, and a party must be that way. The important thing is that there be debate and, on crucial issues, unity."

It is possible to mix everything up by putting part of the Bahia, Sarney, and Maciel groups and the independents on one side and another part of the Bahia, Sarney, and Maciel groups and the independents on the other. This is true when it comes to the choice of a system of government. Governor ACM, for example, is a presidentialist, but his son Luis Eduardo is a parliamentarian. Roberto Magalhaes, Sandra Cavalcanti, and Jose Mucio Monteiro are examples of parliamentarians. In the presidentialist boat along with ACM is Marco Maciel, who, incidentally, is general coordinator of the Presidentialist Republican Front. The PFL's members do not even agree on which of those factions is the majority. In the opinion of parliamentarian Roberto Magalhaes, the presidentialists are larger numerically. Presidentialist Marco Maciel has no doubts: "The parliamentarians are the larger group in our party."

Another odd split has to do with the image the party's members have of themselves. Paes Landim of Piaui accuses the party of being very much a northeastern party. He complains: "We have only a single important national leader down there in the South, and that is Vilson Kleinubing (governor of Santa Catarina)." He is suggesting that the party invite Minas Gerais Governor Helio Garcia to join "and give the PFL a national dimension." Marco Maciel considers that possibility a good reinforcement for the party but disagrees with the idea that the PFL is strictly a northeastern party. "We are not regional. We have a good-sized bloc in Minas Gerais, for example, and we are currently the second-largest party in the country—in some respects even the largest. For example, the PFL is the party with the largest number of governors," the leader says.

On one thing at least, everyone agrees: the party needs to decide what it wants. What everyone does not agree on is when that decision should be made. Some, like Paes Landim, say it should be done after Carnival. Marco Maciel and Roberto Magalhaes make the plebiscite the watershed, and there are those who want to wait until new officers are elected in August before triggering the debate. The new president of the PFL will be chosen at the convention, and an unobtrusive internal struggle is already under way.

Jose Mucio wants to stay on as party president and has already reached an agreement with leader Luis Eduardo Magalhaes, whom he will support for reelection to the leadership—despite Luis Eduardo's drop in popularity following the first vote on the tax agreement.

Chile

Finance Minister Says Government Council To Be Established With Brazil

PY2503141993 Santiago Radio Chilena Network in Spanish 1100 GMT 25 Mar 93

[Text] Finance Minister Alejandro Foxley has reported that a high-level government council will be jointly established by the governments of Chile and Brazil to draft a complementary economic agreement.

Foxley has gone to the annual meeting of the Inter-American Development Bank. He said that he discussed with the Brazilian foreign minister the idea of an agreement to protect investments.

Foxley reported that Brazil is Chile's fourth trade partner. He added that Brazil exports merchandise worth $1 billion to Chile, while our country exports products worth $500,000 to Brazil. He added that Chile is very interested in improving this potential market and that the two countries' technical committees will work toward this objective.

Colombia

Defense Minister Refutes Report on Police Proposal

PA2503190193 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 25 Mar 93

[Text] Defense Minister Rafael Pardo Rueda was surprised by EL TIEMPO's front page on 25 March that reported that he, the minister, had said the police should be put under the government ministry's authority. The newspaper says: Police Would Be Put Under the Government Ministry. The proposal will be presented by the defense minister and will be studied by two commissions that in 40 days will provoke a commotion in the institution's structure. The newspaper report, however, is not true. The minister reportedly made the proposal but the minister says that what he proposed was the creation of two commissions that will study the institution's internal situation. The defense ministry has released the following communique setting things straight.

In view of a newspaper report saying the defense minister said the police should be put under the government ministry authority, this ministry has this to say:

A. The government and the defense minister believe the National Police should continue to be under the ministry's authority.
B. During a debate at the House of Representatives on 24 March, the defense minister voiced this same stand, although he said this topic is open to debate, just as it states on the tape recording of the session.

Prosecutor General's Office Investigating Escobar Bribery of Search Team

PA2503151793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 25 Mar 93

[Report by Diego Hernan Canal]

[Text] The power of corruption of Pablo Escobar's money seems to have no limits and the security forces' vulnerability continues to surprise everyone. It was learned on 24 March that the Prosecutor General's Office is investigating the possibility that Pablo Escobar has managed to bribe the search task force. The charge was made at the Chamber of Representatives' preliminary hearings commission. The story began 20 days ago. A man arrived at the Prosecutor General's Office in Santa Fe de Bogota and made the report. The information was enough to start an investigation. The informant told the prosecutor general that Pablo Escobar had bribed the search team.

[Begin recording] [Prosecutor General Gustavo de Greiff] We have received certain reports. If they prove to be true—and we hope not—it would be very unfortunate to think that corruption has managed to get this high.

[First unidentified reporter] Is there an investigation under way?

[De Greiff] We are examining the reports, but there is no evidence.

[Second unidentified reporter] How much money was distributed, sir?

[De Greiff] There is no evidence at all on that.

[First reporter] There are reports that indicate 1 billion pesos. Is that close?

[De Greiff] We have been told that, but we have not seen any evidence that would prove this to be true. We are investigating. [end recording]

Although the prosecutor general stated that the informant said very little and did not identify himself, the fact remains that he was granted access to the Prosecutor General's Office in Santa Fe de Bogota. The government—through statements by Justice Minister Andres Gonzalez Diaz and Defense Minister Rafael Pardo—admitted knowing about the bribery reports. The latter, however, questioned the reliability of the information.

[Begin recording] [unidentified reporter] How long have you known about these charges?

[Pardo] These are just stories, or messages brought by people sent mainly by Pablo Escobar and this intrigues me. I would like to know why they are so interested in the government's moral standards. [end recording]

General Miguel Gomez, the general director of the police, also spoke on the issue.

[Begin recording] [Gomez] We hear statements such as this quite frequently, but we trust the outcome of the investigation being carried out by the prosecutor general. [end recording]

The prosecutor general went one step further regarding the investigation. He explained why, in his view, the search force has not yet been able to capture the head of the Medellin Cartel.

[Begin recording] [De Greiff] The same factors that enter into play in other areas of the country are also at play here: inefficiency, cowardice, and corruption. [end recording]

We can only wait and see how the investigation unfolds to find out what happened to the search team 20 days ago at a ranch in Antioquia.

[Begin recording] [De Greiff] I hope the outcome of the investigation proves to be negative because it would be very unfortunate to think that corruption has managed to get this high. [end recording]

* AD/M-19 Begins Planning Electoral Strategy

* Internal Differences Noted

93SM0182A Santa Fe de Bogota EL TIEMPO in Spanish 24 Feb 93 p 8A

[Text] After a lengthy stay in Europe at the invitation of various governments, Antonio Navarro Wolff, leader of the Democratic Alliance/M-19 (AD/M-19), returned last Sunday to Colombia.

Although he intends to launch a full-scale presidential campaign, Navarro Wolff will first have to "put the house in order," in the light of a certain malaise at the regional level involving the movement's congressional delegation.

Last Monday a group of M-19 leaders in Tolima proposed to end the political pact with the Democratic Alliance. They argued that some members of Congress—including Mario Laserna, Pedro Bonnet, and Carlos Albornoz—had contributed "very little to the political assets of a new force that is an alternative to the traditional parties."

They further declared that the AD is not an alliance and neither is it democratic. They accordingly extended an invitation to Rosemberg Pabon, a former member of the Constituent Assembly [ex constituyente], to "lead a national movement to save the political viability of the organization."

In fact, Pabon was in Ibague to calm the separatist spirits and at the same time to propose a reformulation of the political pact between M-19 and AD. He also took the occasion to launch the candidacy of Carlos Alonso Lucio for mayor of Bogota.

As we know, Lucio withdrew from the Alliance approximately a year ago, after criticizing the way the movement was being run.

Pabon announced that he planned to tour the country with the aim of asking the M-19 rank and file for their views on the future of the organization.

In Tolima, at least, Pabon encountered resolute opposition to continuation of the pact with the AD.

On his return to Colombia, however, Navarro Wolff found a letter waiting from Senator Vera Grabe in which she proposed that all presidential aspirants declare an "electoral truce" during 1993.

"Let us come to an agreement with all of them—no exceptions—on the implementation of a nationwide campaign on behalf of nonviolence," said Grabe in her letter to the AD leader. "And on this basis, let us develop a broad agreement to strive to establish a genuinely democratic climate and a government of national reconciliation that will guide the nation's destiny from 1994 on."

All these initiatives and internal rebellions, however, will be discussed during the movement's ideological forum that will be held in Bogota between next 26 and 28 February.

Among the organizations invited to participate in the forum are the Conference of Bishops, Fedegan [Association of Colombian Cattlemen], ANDI [National Association of Industrialists], Fenalco [National Federation of Businessmen], Fedemetal [Colombian Federation of Metal Industries], Icavi [expansion not given], and the CUT [United Workers Federation]. Also invited are Francisco de Roux, director of Cinep [Center for Public Education and Research]; Gabriel Misas, of the National University; and Daniel Garcia, of the University of the Andes.

During a meeting held yesterday to prepare for the forum, Navarro said that the forum "would enable us to establish our political profile with respect to the content of the basic policies that will undoubtedly be developed in subsequent months. The forum will design and produce the basic outlines of an alternative proposal for Colombia," he said.

* Criticisms Aired at Forum

93SM0182B Santa Fe de Bogota EL TIEMPO in Spanish 27 Feb 93 p 6A

[Text] *Antonio Navarro also rejected the patronage practices adopted by some members of this political movement. Father Nel Beltran launched a peace plan.*

The first ideological forum of the Alianza Democratica/M-19 (AD M-19) opened yesterday. The forum seeks to develop the political profile and platform of the movement in anticipation of next year's elections.

Navarro Wolff was in fact the first to acknowledge that AD/M-19 [Democratic Alliance/M-19] was having problems.

"Internal warfare," he said, "is the worst enemy of an organization structured like ours. Although well-organized and efficient nuclei are necessary to carry out the organization's tasks, they cannot become closely knit fiefs that continually war against their comrades and against all those who try to join the movement."

He called for an end to the personal patronage and bureaucracy that have in part taken over the movement, and asked for "consistency between what is said and what is done. You cannot preach against the patronage system and then practice it yourself," he said, "nor can you combat corruption during election campaigns and then accept kickbacks in public office."

Navarro's words were well received, because—as one of his aides at the forum aptly put it—"that is what we expected. We are not well, and it is time for us to swallow the bitter pill."

Realizing that the movement cannot continue to live on electoral victories won in past elections, Navarro declared that "we Colombians are now paying the bill—with interest—for what we did in the past. What we do now is what is important."

He proposed, however—with the clear intention of responding to regional criticisms of electoral policy—that in the March 1994 elections (for the Senate and House) the Alliance run its own candidates without forming coalitions. For the May 1994 presidential election, he said, "the nominee will be chosen by a multiparty group of which the AD will be one of the components."

According to Navarro and several of those present, there is every reason to believe that the Alliance plans to have a convergence candidate for 1994, which could even be Navarro himself.

This was not the only criticism of the movement, however. Daniel Garcia-Pena, university professor and researcher and former member of the AD, minced no words in letting the movement's leader know what many are quietly thinking. "All Navarro has done in the AD is manage the fleecing and the bossism. If you contemplate managing a country, you must build democracy."

Peace Proposal

It was not all criticism and accusation, however. There was also time to speak of the need to seek peace, and in this connection Nel Beltran, bishop of Sincelejo, launched an initiative.

The bishop began by saying that it is now time to overcome the unilateral accusation syndrome. "We must look for actions to take," he added.

He presented a four-point plan. The first speaks of creating a peace adviserships and peace council—with an enlightened point of view—that would reformulate the dialogue and specify its objectives.

Secondly, he proposed that "regional predialogues" be held with the civilian population. These would be construed as talks rather than as negotiations, given the fact that neither civilian society nor the guerrilla fronts are able to make decisions.

Thirdly, he said that it would be important to form a national—and, if necessary, an international—oversight commission, but only when specific pacts have been signed.

Carlos Franco—a member of the Hope, Peace, and Freedom movement—spoke on the same subject. He proposed the creation of a commission of no more than six members consisting of the minister of government, a representative of the Church, a representative of private industry, a retired military officer, and two members chosen by the president [of the Republic].

* Electoral Recess

93SM0182C Santa Fe de Bogota EL TIEMPO in Spanish 1 Mar 93 p 7A

[Text] With the aim of resolving internal differences and designing a programmatic profile, the Democratic Alliance/M-19 (AD/M-19) has announced that it will take an electoral and political recess until the organization's national convention, which will be held in the middle of this year.

In the meantime, the leadership and members of AD/M-19 will devote their efforts to two fronts: the regional political organization, which is one of the weaker aspects of the movement, and reorientation of the work being done by the organization's congressional delegation, which also received some criticism from the delegates.

This was decided yesterday at the AD's First Ideological Forum, which concluded its deliberations with a series of proposals on peace, social policy, the economy, and the future of the AD.

"The idea is for us to get organized, get our heads out of the clouds, and then—having heard the testimony—explain to the nation our governmental program and what we want for Colombia," said one of the members of the political committee charged with drafting the proposal for the recess.

"Listening to leaders of the private sector such as Enrique Penalosa and Sabas Pretelt de la Vega; to an authority on economics such as Eduardo Sarmiento; and to Daniel Garcia-Pena, who dared to say what we are all thinking, enabled us to reconsider many things and in fact to sit down and consider how this country has changed and how we are a part of this change," said one representative of the organization's congressional delegation.

Although there were various reasons for calling the recess, the most influential argument at the time the decision was made was that if the beginning of the election campaign were announced, it would leave the movement without a National Directorate, whose members would be engaging in tasks that were clearly political in nature and would be neglecting the internal crisis.

"Here," said one member of the National Directorate, "everyone wants to be a candidate even though they do not know why and very few have any votes. We must first define our project for peace, social justice, and the nation."

Both in public and in private, the AD leaders were acknowledging that the movement was in crisis. "The crisis does not actually stem from a lack of proposals, because the proposals are there, but from a lack of channels of communication," said Senator Pedro Bonnet.

"When someone goes to the regions and talks with the leaders, the attitude changes," Bonnet explained. "What we really need to do is come together and talk more."

Antonio Navarro Wolff also announced that "M-19 will rise up against the old political traditions and combat the patronage system and corruption."

The AD apparently has a number of investigations prepared that implicate politicians and public officials in the mismanagement of public funds.

Navarro Wolff also said that he is organizing a Latin American conference of presidential candidates to discuss new alternatives for this part of the continent. The conference would be held next October in Cartagena.

In this way, the First Ideological Forum of the AD came to its conclusion. It provided an opportunity to speak the truth up front, and to acknowledge both the movement's failures and its successes.

"This forum," said Sabas Pretel de la Vega, president of Fenalco [National Federation of Businessmen], "demonstrates that the Democratic Alliance is not a *ghetto* and that it welcomes discussion. How it would please me if Liberals and Conservatives invited a former guerrilla in order to hear different opinions."

* Forum Conclusions

93SM0182D Santa Fe de Bogota EL ESPECTADOR in Spanish 1 Mar 93 p 5A

[Text] Santa Fe de Bogota—AD/M-19 [Democratic Alliance/M-19] emerged strengthened from the ideological forum that deliberated for three days in this city and that ended yesterday with an array of conclusions reached on the various topics studied by the forum's participants. Gloria Quiceno, member of the House of Representatives, said that the strength of the movement derives from the fact that while the other political groups waste their time on purely electoral matters, AD/M-17 looks at the nation, studies its major problems, and seeks ways to solve them.

A total of 600 delegates took part in the forum, in addition to prominent invited guests such as Monsignors Nel Beltran and Gabriel Vega, Sabas Pretelt [as published] de la Vega, and others.

In its discussion of the topic of economic development, the forum proposed that the neoliberal policy of President Gaviria be reformulated, basically because of its social effects and the defenseless state in which it has kept the countryside. With respect to the policy of internationalization, AD/M-19 believes that the government has imposed no conditions on the great economic groups that today dominate the world, thereby weakening our economy and leaving our domestic industry unprotected.

On the subject of social policy, the forum declared that the basic objective of the Alliance is to improve the well-being of the people and eliminate poverty, and it advocated a policy of employment as the best mechanism for eliminating poverty. It believes that the government's social policy has been a failure and that no signs of improvement can be seen. In the social policy area, a study was made of the lack of basic services such as health, education, and housing.

Three strategies were proposed: restoration of the state's responsibility as a guiding force in the nation's social and economic life; decentralization, so that programs can be implemented by the local organs; and the strengthening of civilian society. In the area of legislation, the Alliance will strive for a comprehensive social security law, a labor statute, and a law for the recovery of rural Colombia.

The forum expressed its concern over the deterioration of the situation in Uraba. It proposed that this region be converted into a Special District of Peace by combining the efforts of the government, the citizenry, the federations, and the workers to bring Uraba out of its state of prostration, so that the citizenry can put pressure on the perpetrators of violence to convince them of the need for a negotiated solution to the conflict.

Three points were established in connection with the political program: an internal accord to deal with personal electoral appetites, and a pact making it possible to establish an overall strategy for the 1994 campaign; establishment of the rules of the game for the campaign by public corporations; and the convening of a national convention to ratify the accord containing the guidelines proposed by the directorate.

The forum also dealt with environmental policy. It ratified the proposal for a summit of Latin American presidential candidates, to be held in October 1993 in Cartagena with the aim of achieving the integration of Latin America in response to the need for constructing a common model for development.

* FARC Leader 'Tirofijo' Said Gravely Ill

93WR0161Z Santa Fe de Bogota SEMANA in Spanish 2 Mar 93 pp 28-29

[Unattributed article: "Days Numbered"]

[Text] All the rumors confirm it: "Tirofijo" has cancer. It has been impossible to determine what kind of cancer, but it is known to be irreversible and terminal. He can no longer move by himself. Young guerrillas have to carry him in their arms for short distances, and he travels on sophisticated litters when the journeys are long. He can no longer even smoke his daily package of Pielroja. The world's oldest guerrilla fighter is dying.

Moreover, at the end of last week the rumor was circulating that "Tirofijo" had undergone a colon operation somewhere in Caqueta, by an experienced surgeon captured by the FARC [Revolutionary Armed Forces of

Colombia]. It was also rumored that the authorities were attempting to establish the physician's identity.

SEMANA has discussed the subject with high-level government, as well as Colombian leftist sources, and there is no disagreement between them. The debate does not revolve around his illness, but rather around what may happen after his death.

It must be viewed as paradoxical that the three founders of the FARC ("Tirofijo," Jacobo Arenas, and Jaime Guaracas) would be among the few Colombians dying of natural causes during these times. Arenas succumbed to a massive infarction in his own bed. Guaracas is in Cuba with terminal cancer, confined in one of Fidel Castro's clinics.

During the early 1960's, these three men founded a movement in southern Tolima called "The Communes" guerrillas. They became established in the municipality of Marquetalia, remaining there until 27 May 1964, when "Operation Sovereignty" was initiated against them. The latter consisted of bombing the area from aircraft, to force the guerrilla fighters to move in march columns.

The Marquetalia operation was the first air bombing aimed at the Colombian guerrillas. Following it, "The Communes" became the Revolutionary Armed Forces of Colombia, and the movement, originally for self-defense, was converted into a mobile guerrilla entity.

All this occurred 30 years ago and, ever since, the chief has been Pedro Antonio Marin, alias Manuel Marulanda Velez, or "Tirofijo." He was a simple woodcutter, and virtually illiterate. After military service he became a highway inspector for the Ministry of Public Works, before his conversion into a liberal guerrilla fighter to protect himself against the conservative armed groups, or "chulavitas" [show-offs].

After distancing themselves from the liberals, the FARC became consolidated as an orthodox guerrilla movement of a Marxist-Leninist type. Unlike Jacobo Arenas, "Tirofijo" has never been known for "going all-out." He always confined himself to being the military strategist, inspiring followers by his intuition, common sense, and good-natured wisdom. He is considered an expert in resistance. His concept has not been one of offensive guerrilla activity, but rather that of a permanent, growing territorial presence. At least 400 municipalities in the country have been affected by the impact of the FARC. In many of them, the latter have been, or are, the only authority: the one collecting taxes, providing teachers, executing criminals, and marrying and divorcing people. In a way, they are like a para-state group.

Their current goals are different from those of 30 years ago. Now, no one thinks about seizing power. Being a militant is more of a system for survival and employment. Considering the lack of identity and recognition that a very poor peasant experiences, being a FARC guerrilla fighter lends status, and is a means of acquiring a position in life. Therefore, despite the fall of communism in the world, the FARC do not appear to have been weakened.

But what might happen after "Tirofijo's" death? There are two trends within the movement: Timoleon Gomez's hard position and Alfonso Cano's soft one. The former follows the orthodox line of war without respite. The latter is more in favor of adapting to the new realities and of becoming integrated into the society.

The problem is far more serious than the mere differences between Gomez and Cano, because, front after front, the FARC are divided between these theories. Up until now, they have managed to keep the conflicts under control, because everyone recognizes "Tirofijo's" authority. This status quo is tenuous, and will surely collapse as soon as the FARC's historical leader is no longer present. It is likely that, after his death, the FARC will become fragmented and lose the unity that they have succeeded in maintaining for three decades. The good effect on the country is that this would weaken their unity, but the bad effect is that the inevitable result would be lawlessness.

* New Central Bank Manager Views Economy

93SM0186B Santa Fe de Bogota EL TIEMPO in Spanish 24 Feb 93 p 12A

[Article: "Miguel Urrutia: The Economy Cannot Become Petroleum-Dependent"; first sentence is EL TIEMPO Introduction]

[Text] The new Central Bank manager says that the board is independent and that its members do not swallow what Hommes says whole. The fear of revaluation is over.

Is it possible to lower inflation in Colombia to 8 or 10 percent? The conditions are right, and in terms of economic management there is a clear trend toward price stability.

The government cannot finance public spending by issuing currency. Economic liberalization is helping to slow down the pace of rising prices, and in Colombia something significant has appeared: the monetary authorities have regained credibility.

That is the view of the new manager of the Bank of the Republic, Miguel Urrutia Montoya, an economist who attended some of the world's top universities, and who "relaxes" by reading books on Japanese culture.

Inflation, a phenomenon considered the worst of all taxes levied on the people because of its negative impact on income, has components that make it resistant to remedies. In recent years Colombia has grown accustomed to living with cost-of-living increases exceeding 25 percent.

Many prices have been indexed, including public services. The Bank of the Republic has issued currency so

the government could pay for its spending and there have been special funds financing the private sector with subsidized interest rates.

But the Constitution of 1991 and the Banking Law passed by Congress last year created a philosophy that must be respected, especially by the Central Bank: "Working for Sound Monetary Management."

Reasons for Optimism

The institutional structure, according to Urrutia, does allow for optimism about the future behavior of inflation. "We do not know when or how, but it is going to be brought down to rates similar to those prevailing in the industrialized countries."

He does not expect government spending to be financed through the constitutional bypass mechanism that allows the Central Bank to issue currency when there is unanimity among the seven members of the board.

The reason: state finances have been improving. Last year, for example, for the first time since the 1970's coffee bonanza, there was a tax surplus.

This surplus was 0.4 percent of the PIB [Gross Domestic Product], which translates in absolute terms to about 150 billion pesos. The numbers indicate that this was not caused by a reduction in spending, as Treasury disbursements were up by more than 35 percent.

According to Urrutia, Colombia has successfully managed its government finances. "Few countries in the world have a tax surplus. Japan may be the only one among the industrialized nations."

In terms of prices, the liberalization policy has been positive, as it has kept prices from rising as much as they would otherwise have done. And while export earnings have dropped, that is due to reductions in the international prices of basic commodities.

Exchange Policy

Like the minister of finance, the new manager of the Central Bank feels that this year's advantage is that things have already been done, and there is no pressure to make drastic changes in economic policies, such as monetary, exchange, and credit policies.

"Each meeting of the Monetary Board produces a major news story. But meetings of the Central Bank's board of directors do not, because decisions are made regularly and things are going well."

Last year was difficult from a monetary point of view, but steps were taken that have produced results. Nor are there problems with exchange policies, since the influx of foreign currency has declined—revenues coming from floating capital. "The exchange component is stable."

One factor that causes expectation and uncertainty is devaluation, and it is not a problem. Urrutia claims that fear of devaluation is over.

How does he view the economy? "The economy is doing well. There are problems in social areas, but major efforts are being made to solve them. Violence is certainly our biggest problem."

Petroleum

The Cusiana petroleum reserves may create some economic management problems, so Ecopetrol [Colombian Petroleum Enterprise] and the Ministry of Mines are to work with the government and the Central Bank's board of directors.

One option to be considered for keeping the economy from becoming excessively oil-dependent is placing part of the earnings abroad. In that way the monetary supply can be managed while meeting growth needs and also controlling inflation.

However, Colombians should not harbor any great illusions about the expected Cusiana reserves. The amount of those reserves is not known but they may be about 4 billion barrels, says Ecopetrol.

According to Urrutia, "the reserves are large, but not so much so that people should think they are unmanageable."

Independent

Much has been said about the independence and autonomy of the Bank of the Republic's board of directors, of which the minister of finance is a member. What does Urrutia think? "It is independent. The board members do not swallow what Hommes says whole."

Urrutia termed the Banking Law extraordinarily good, even though the members of the board do have some problems with it.

And pressures from the International Monetary Fund? "The IMF is not needed now—Colombia has not turned to it for a long time—and it will not have to do so for at least the next 10 years."

* Industrial Credit To Be Harder To Obtain

93SM0186C Santa Fe de Bogota EL ESPECTADOR in Spanish 24 Feb 93 p 9A

[Article: "Industrial Reconversion Funds Tightening"; first sentence is EL ESPECTADOR introduction]

[Text] Credits to promote industrial reconversion, which are now available to help with the economic liberalization program, will grow tighter on 1 April.

This was stated during the meeting at which Minister of Development Luis Alberto Moreno introduced the publication MONITOR INDUSTRIAL, which will track manufacturing activity during the first years of the globalization of the Colombian economy.

The chairman of the CFD [Development Finance Corporation], Camillo Arturo Cabal Cabal, noted at that

meeting that it did not seem wise, in the midst of the liberalization program, for the Central Bank's board to cut the rediscount rate for all financial institutions.

According to Internal Resolution 2 of November 1992, "effective 1 April 1993, each financial institution's maximum debt level with the Central Bank may not exceed 2.5 times its stated assets."

Cabal Cabal explained that 10 years ago they had planned that each financial institution's debt level to the Central Bank would be seven times its paid up capital and legal reserves.

"This reduces the rediscount capacity of financial institutions. The decrease is between 65 and 70 percent," said the CFD chairman.

He said that as the representative of a financial institution, he did not look upon this resolution with favor. Vice Minister of Finance Hector Cadena was unable to explain the scope of the measure.

It was said that this provision was aimed at financial institutions that do not make development loans, "but which are simply interested in profits."

* Domestic Goods Facing Competition From Imports

93SM0186A Santa Fe de Bogota EL TIEMPO in Spanish 24 Feb 93 p 13A

[Article: "Industry: Battling With Imported Goods"; first sentence is EL TIEMPO introduction]

[Text] The greatest competition was felt in electrical appliances and accessories, transportation equipment, and foods.

Colombian industry faced stiff competition from imported products during 1992. According to Ministry of Development estimates, 40 percent of the foreign products bought by Colombia competed with domestic production.

It is estimated that the competition will be even stronger this year, based on import records that measure business trends in purchasing foreign products.

Between January and September 1992, industrial imports rose 46 percent, while imports that compete with domestically produced goods doubled.

The greatest competition involved electrical appliances and accessories (which account for a fourth of the industrial products imported), transportation equipment, chemical products, textiles, foods, and steel products.

Among electrical appliances and accessories, one major item was power plant equipment. Sales were booming due to Colombia's energy rationing.

In transportation equipment, automobile imports were significant, reacting favorably to reduced tariffs and interest rates.

Although the share of chemical products was high (13 percent), this was due more to their importance than to the 23 percent increase in imports, which was low in comparison with the industrial average (39 percent).

The study was prepared by the Monitoring Unit, which will publish the results of studies tracking industrial behavior every two months.

According to the document, the greatest market penetration of imports by industrial sector is in leather, footwear, textiles, and nonmetallic ores.

Busines[illegible] produce ferrous metals, electrical and sound appliances, and vehicles also purchased substantial amounts of imports.

Concerning the behavior of exports, the Ministry of Development found that during 1992 there was a redistribution in the destination of Colombia's exports, with the Venezuelan market increasing in importance.

The MONITOR INDUSTRIAL, as this report is called, was presented yesterday to Colombia's major economic groups, whose directors said they were pleased about this program to track the behavior of the manufacturing sector.

* Samper on Protection of Foreign Investment

93SM0197A Santa Fe de Bogota EL TIEMPO in Spanish 8 Mar 93 p 6A

[Article: "Samper Defends War Against Narcotics Traffickers; 'Colombia: Insecure But Stable'"; first paragraph is editorial introduction]

[Text] Ernesto Samper, Colombian ambassador to Spain, told representatives of British insurance companies that, instead of restricting insurance on investments in Colombia, they should analyze the advantages of its economic solidity and its democratic continuity.

Ernesto Samper Pizano, Colombian ambassador to Spain, criticized the restrictions placed by insurance companies on protecting foreign investments in Colombia. He said that the restrictions are based solely on insecurity in the country, without taking into account its economic and institutional stability.

During a technical meeting recently held in London with a group of insurance representatives Ambassador Samper reviewed the advantages which Colombia offers to investors. He defended the war against the narcotics traffic declared by President Gaviria, a war in which, the ambassador pointed out, he is supported by public opinion, "which knows that what is at stake is the survival of the democratic system."

Following are substantial excerpts of the text of the speech made by the ambassador:

"When he was elected president, he [President Gaviria] did not hesitate in ordering the cancellation of contracts for the construction of public works or of agreements made in association with companies which were proved to have taken out insurance by supporting subversive groups, paid ransom for the release of their officials, or engaged in bribing public officials.

"We will not allow the Cano Limon case to be repeated. In this case the price for the construction of the oil pipeline to Covenas was the economic revival of a subversive group which is now engaged in carrying out terrorist attacks against this very same pipeline. This affair involved a large, transnational firm which we hope will never return to Colombia. It had no scruples about meeting the demands for money from a group whose military strength was then clearly deteriorating.

"We will carry out the commitments made to foreign investors. There will be no sudden changes in the rules of the game. Colombia will honor its long tradition of legal and constitutional respect for vested rights. However, just as we will be firm about our commitments, we will also be firm about demanding that foreign companies support us in the struggle which we are presently carrying on against terrorism. If the foreign companies wish to contribute to this struggle, they can support the Armed Forces with money and equipment and also can carry out social programs to ensure the support of the local community in areas where fighting is going on.

"The struggle which is presently being waged in Colombia against narcotics terrorism and against Pablo Escobar cannot be interpreted as an isolated attitude of the administration of President Gaviria. Apart from any party consideration, public opinion supports these actions of the government because it knows that what is at stake is not the image of the president or the electoral success of his party, but rather whether the democratic system in Colombia itself will survive.

"On matters such as those of public order and safety or the struggle against the terrorists I will not adopt an opportunist attitude. I will propose what is most suitable for the country, no matter what the electoral result.

"I must confess to you that the area which I see as the weakest in the field of national security policy is that of intelligence. It is absolutely clear to me that there is no use in improving the professional quality of the Army or offering rewards to people coming forward with information regarding the terrorists if we do not make progress in improving the state security organizations, so that they can react before a car bomb explodes or the terrorists ambush a patrol in the jungle or blow up the oil pipeline.

"My greatest effort will be directed toward this area which, of course, is the best way of complementing the progress which has been made in raising the technical quality of the Armed Forces and improving the system of justice.

"The door to a dialogue with the guerrillas is still there, but it has been closed from the outside.

"I ask you that when you evaluate investment risks or insure investments in my country, you consider more than political risk. Colombia is one of those countries which present the least economic and legal risk in all of Latin America.

"Would you insure an investment in a country with no problems of violence, such as those facing Colombia, but which is subject to the danger of an untimely devaluation or taxes applied without warning to cover a budgetary deficit?

"Or consider another case. Would you insure an investment in a country which has no problems with public order, as we do, but in which foreign investments can be expropriated tomorrow by a weak government?

"The only thing which I ask of you is that you look at the risk in Colombia as a complex phenomenon and that, just as you consider us a country burdened by insecurity, you will also take into account what we provide in terms of economic stability and legal reliability."

Ecuador

Government Reports to GATT Exclusion From Commercial Preferences Law

PA2503200693 Quito Voz de los Andes in Spanish 1200 GMT 25 Mar 93

[Text] Ecuador has reported to the GATT its exclusion from the commercial preferences law for Andean countries. Through this law, the United States can help the exports of countries fighting drug trafficking. This law seeks to apply preferential rates to four countries, Bolivia, Colombia, Ecuador, and Peru until the year 2001. The law has been applied, however, only to Bolivia and Colombia since 2 July 1992.

Alfredo Pinargote, Ecuadoran ambassador to the United Nations in Geneva, said the exclusion of his country from the application of the law will become an obstacle in the fight against drug trafficking. Pinargote will ask the U.S. Government to revoke the exclusion, a measure that would benefit the export of 23 Ecuadoran nontraditional agricultural products.

Paraguay

Colorado President on Taking Election 'By Assault'

PY2603010093 Asuncion ULTIMA HORA in Spanish 25 Mar 93 p 3

[Text] Last night Colorado Party President Blas N. Riquelme exhorted Colorado Party followers to win the

9 May election "by assault" if necessary. Our Cordillera Department correspondent, Dario Bareiro Farina, said Riquelme surprised his listeners by announcing the creation of a "tricks" commission to that effect.

Riquelme last night participated in a political meeting with local Colorado Party precinct presidents and Cordillera gubernatorial hopeful Cesar Garcia—who was elected by the local Arganist faction—at Tobati's Colorado Party headquarters.

During his speech, Riquelme half jokingly and half seriously proposed "winning the war by assault," adding, "all of us here are Colorados. We are going to organize a special tricks commission. I want all Liberals to hear this—a tricks commission. Did you listen, Mr. Governor? A tricks commission."

Riquelme went on, saying that "the game without tricks is practically not a game. We are going to use tricks, just a little,and not to win but to laugh at the opposition. This man here, the governor, will be in charge of the operation. Perhaps he does not want to use tricks, but we are going to order him to use them," Riquelme said surprising his fellow party members.

Riquelme also talked about the party's good relations with the Armed Forces, insisting on the need to look after it. After these remarks and using eminently military language, Riquelme said: "The time for theories is past. We must win this war by assault. We are going to study how to implement the assault. We cannot study, draw, and attend mass services any longer. We are going to pray after winning."

Riquelme said steps must be taken immediately to take the matter by assault, as those who go to war say. We are in a war where everybody is against the Colorado Party. The Colorado Party is against all other parties. We must take steps to deal with this situation of us alone against everybody else. We cannot do that in a studio or office. We cannot do that on paper. Each person has to do it the way he can, with all means available to him, with force, decisiveness, and war. There is no other way.

Riquelme said that for this war there will be continuous and permanent communication. "I will listen to your problems personally. We are going to bring the 'weapons' ourselves. You will not need to go to Asuncion for them. What are you going to do without the 'weapons.' You will have the emotion, the decisiveness, the willingness, but without 'weapons' the decisiveness or willingness will not suffice. I am conscious of this situation and I promise you will have what you need this week. The governor here will be the campaign director and we will give him what is necessary: money, papers, or whatever," Riquelme concluded.

Peru

Fujimori on Negotiations With Paris Club, Yeltsin

PA2503171093 Lima Global de Television Network in Spanish 0000 GMT 25 Mar 93

[Text] The delay in the Paris Club negotiations with Peru caused by the Russian crisis will allow us to present better options to our creditors, according to President Alberto Fujimori, who even gave some advise to his Russian counterpart, Boris Yeltsin.

[Begin recording] [unidentified reporter] The situation in the USSR [as heard] has hurt us. The Paris Club will meet in May and not next week as it had been scheduled. What is your opinion on this?

[Fujimori] This situation has its pros and cons. We would have wanted to conclude these international debt negotiations once and for all, but the good news is that it will give us a little more time to prepare. The situation in the USSR [as heard] in general, I believe, will allow the world to better understand the Peruvian phenomenon. We are not alone any more. Private investments, especially foreign investments, are already being made. I have mentioned a few cases. I believe 1993 investments will be much greater than the whole previous decade.

[Reporter] The Congress has not ratified the comptroller yet as you requested.

[Fujimori] She has not been ratified by the Oversight Commission. I learned about it in the media [words indistinct] and make a decision in this regard.

[Reporter] Are there any candidates for the Comptroller General's Office in view of what is going on in Congress?

[Fujimori] I do not have candidates. I hope to first resolve the situation and then decide.

[Reporter] Are you pleased with the work done by Comptroller Maria Herminia Drago Correa?

[Fujimori] Until now she has been carrying out her oversight duties. I believe a mistake was made in the [words indistinct], but I have not yet evaluated her status. [end recording]

Economy Minister Addresses Nation 23 Mar

PA2503132793 Lima Global de Television Network in Spanish 0315 GMT 24 Mar 93

[Address to the nation by Economy Minister Jorge Camet in Lima on 23 March—live or recorded]

[Text] Good evening. I address the nation to explain some of the main aspects of the government's economic work for the next three years. The basic objectives of this program are those stated by President Alberto Fujimori in 1990. Those objectives are: stabilization, reduction of inflation, modernization; that is, the group of structural

reforms that will allow us to improve production efficiency, promote saving, increase investment, and create jobs. Peru's reinsertion into the international financial system means making Peru again eligible for credit and that, as a consequence, means the government and private enterprises are again eligible for credit in the international financial market.

The pacification of the country and reconstruction of the state, that is, privatization of nonpriority activities will allow the state to concentrate on the basic infrastructure and a social spending policy that will allow the elimination of extreme poverty.

There is consensus among the vast majority of the population regarding these objectives. This represents a great advance in the national debate regarding economic topics. There are no longer any disagreements regarding the objectives of the government's economic program but on the best ways of attaining those goals.

The first stage of the government's economic program, started by Juan Carlos Hurtado, was mainly concentrated on the adjustment needed for stabilization. In the second stage, carried out by Carlos Bolona Behr, priority was placed on reform of the regulations that will allow modernization of production activity, during which time there were significant advances in the process for Peru's reinsertion into the international financial system.

In this third stage, in which I will participate as economy minister, we must implement and manage the program and complete the stabilization and reinsertion processes. Furthermore, we must improve the efficiency of the state's intervention in public spending to attain better protection for the consumer.

We must also bolster investment in production, stimulate and increase exports, and perfect and complete structural reforms.

The government will persist to achieve these objectives. From now to 1995, we will continue austere management of fiscal policy. The persistence of these practices has allowed inflation to be reduced.

We will also persist in the efforts aimed at perfecting regulations that will stimulate competition and promote the generation of wealth.

We also intend to improve the state's central administration, accelerate the privatization process, strengthen the capital market, motivate the pension funds' administrators, improve the maintenance and operation of the basic infrastructure, bolster the recuperation of the agricultural sector, and increase the effectiveness of health, education, and social support services for Peruvians, especially for the poor.

It would be positive to decide what we want in 1995. To undertake an economic program, one must first decide on the objectives we Peruvians aspire to. I believe Peruvians are interested in, more than listening to a bunch of numbers, knowing where we are headed. What do we intend to make of our country? We want a peaceful society, with solidarity for our fellow citizens, respect for basic human rights, and a strong, but not large, government. We want a government that will charge fair taxes in an efficient manner, honest public servants, and a public investment system that will give priority to decentralized spending on infrastructure and social service. We want efficient enterprises that will compete among themselves and use their personnel, imagination, and knowledge to win new markets and each day produce more and better products. We want a dynamic capital market, where the savings of Peruvians will be multiplied as a result of profitable and productive investments.

We want an effective and honest judicial branch, a modern and participative administration of education that will prepare children and retrain adults for productive tasks.

We also want health data comparable to those of our neighboring countries.

The Constituent Democratic Congress faces the immense challenge of producing a new Constitution that contains the criteria and regulations that will allow a plural and heterogeneous society, such as ours, to advance toward attaining these common objectives.

The dynamic investment process we need demands that the new Constitution be promulgated very soon and, furthermore, include the principles that have guided the reforms carried out by this government. This way, those reforms will be consolidated and the conditions for legal stability, which are essential for investment, will have been established.

I want to review seven basic issues concerning changes in the area under my authority: production, fiscal revenues, inflation, exchange rates, financial systems, capital markets, and social expenditures. Regarding production, the gross domestic product will increase no less than 3.5 percent in 1993 and the figure might increase to 5 percent in 1994 and 1995. In my address to Congress, I said I believe recession has reached rock bottom and monthly statistics of production activities will soon show a slow but steady recovery.

Regarding fiscal revenues, tax reform and the very efficient work carried out by the National Superintendency of Tax Administration have allowed us to increase tax revenues from 3.6 percent in July 1990 to 9.5 percent in 1992. Tax revenues are expected to increase to 10 percent in 1993. This figure is still insufficient to meet the state's basic needs.

The efforts to reorganize fiscal revenues represents an essential element of the state's reconstruction. The hyperinflation that afflicted our country is the longest in the world's economic history and it destroyed the very foundation of our state and social organization. Our goal for 1995 is to establish a tax structure to encourage investments and exports, which will allow us to achieve

a 13.3 percent tax revenue. Multilateral organizations are evaluating the possibility of modifying taxes on assets based on the changes in fiscal revenues.

Cautious monetary management will allow us to continue reducing inflation. The estimated inflation for March will be slightly less than 4 percent. This percentage is not satisfactory, but it will represent a 50 percent inflation rate for the last 12 months. This would be the lowest accumulated annual rate in the last 15 years, beginning May 1978. I reassert, the results are not entirely satisfactory, but they confirm the tendency to reduce inflation.

We hope to reach a monthly inflation rate of 2 percent during the second half of 1993, thus establishing significantly smaller annual inflation compared with 1992. We expect to have single digit inflation by 1995.

Despite the elimination of regulations and the liberalization of markets, some of the latter are still afflicted by imperfections that preclude a quicker reduction of inflation. The government will firmly deal with remnants of cartels and other illegal price agreements. Those markets will be subject to a higher degree of competition through foreign trade and actions carried out by a new agency—Indecopi, the National Institute for the Defense of Competition and Copyright Protection—which was created precisely to defend competition.

Regarding the exchange rate, as I mentioned at Congress, it is still below the level we need to make our export market more dynamic. The exchange rate recovered 10 percent of its value in 1992, and we expect to achieve a similar recovery in 1993. This will allow us to achieve an advantageous proportion between internal production costs and other nations' costs in 1994.

Given this situation and the fact that most of our liquidity is in foreign currency, some people propose, in good faith but with impatience, the advisability of an abrupt and immediate devaluation. I ask, would this measure work? Would it benefit export companies whose costs and, above all, whose debts are mostly expressed in dollars? Would this help reduce inflation?

As of then, would Peruvians prefer to save soles rather than dollars? If the state decided to manage the dollar as it pleased, as occurred in former administrations, to suit the fancy of a bureaucrat, what would foreign exchange be worth? Who would guarantee the savings account holder that that same bureaucrat would not propose the freezing of savings accounts? Why, as some critics of the economic program suggest, is it inconvenient that Peruvians receive in Peru interest on the savings they want to maintain in dollars? This system and this topic, as many others in economic management, could generate some interesting theoretical discussion.

The important thing is that the government has opted in its economic program for the next three years to pursue its outlined course, seeking the gradual correction of prices, without sudden devaluations, with a price for the dollar established by the free market and respecting savings in soles and in dollars.

Regarding the financial system, interest rates are still excessively high, although they are tending to get lower. We are making an overall evaluation of the system and believe that a reduction of interest rates is indispensable. Although some banks have progressed in making adjustments to improve their efficiency, the financial indicators reflect an average of higher costs and lower production than neighboring countries. Some banks will require increased capital to make this adjustment and will even have to make mergers to permit them to face the growing competition. Additionally, bank privatization will contribute to this adjustment process and will permit the lowering of interest rates and other costs borne by the clients. This is an objective that we must achieve progressively.

We have refinanced the bank portfolio, through the Financial Development Corporation. We have refinanced $50 million worth of viable companies in the past two months. For the purchase of the large portfolio, we received the amounts requested for this concept, from the equivalent of 20 financial intermediaries, for a total of $100 million. We are evaluating it. The capital market will be strengthened as of May, with the setting in operation of the Administration for Pension Funds. We must remind those persons who view Peru's future pessimistically that the index of the Lima stock market during 1992 was the second most profitable in the world. This reflects the favorable expectations that many investors have in our country.

As for public sector investment, it will represent approximately 3 percent of our gross domestic product. Approximately half of these resources will serve to finance, through the social emergency program, small-scale investment projects in health, education, roads, water, sewerage, agriculture, etc.

A project has been prepared to create the national public investment system, which will be a key element in the program of reactivation and generation of productive jobs. This system will increase the efficiency of public investment, selecting and prioritizing the sector and intersector programs, according to their economic and social profitability. These investments, in some cases, may be carried out as concessions in the hands of the private sector. In this context, public sector investment will be concentrated in social sectors and in providing the infrastructure to support national production.

I also want to make some comments related to reintegration and to the country's image. Regarding the negotiations with the international financial system, Peru has just completed the program of reintegration with the multilateral organizations. After successfully meeting the IMF goals, Peru has again become an eligible country, deserving of a broad facility agreement. This agreement permits us to receive credits for $1.395 billion within the framework of a three-year program. Of this amount,

$850 million have been earmarked to cover payments in arrears to the IMF. The remarkable thing is that we have emerged from this situation, after six years in which Peru has not received a single dollar of fresh money from the IMF or the World Bank.

Reintegration will produce the possibility for the government and the private sector to have access to financing at lower interest rates, given that our credit standing has improved. We still have to renegotiate our debts with the Paris Club, with the foreign banks, and with suppliers. In these negotiations, Peru will look for greater financial relief to reduce the pressure of payments in the future. The government is firmly committed to restoring Peru's foreign image and to making our country a credible nation. Therefore, the Peruvian Promotion Committee [Promperu] was created with this goal in mind and to make known the achievements attained in this difficult task to pacify the nation, to reduce inflation, and to deregulate and liberalize the economy. In addition to achievements attained in structural reforms and the nation's reconstruction and modernization process. Promperu was created to make Peru's new reality known. This is why the government is committed to upholding the basic outlines of the current program.

Our challenge is to comply strictly with this program, which will demand a great internal effort. These years of financial isolation have resulted in substantial damage to our economy. During this time, companies lost trade credits, export insurance, markets, and the nation lost tourist dollars. Many workers lost their jobs due to the lack of investment by local, as well as foreign businessmen. Peru also lost. This stage has now ended and it is time to get on a new road and increase production and increase the generation of jobs through investment. This is made possible through credits and savings. The achievements in the nation's pacification and in reintegration will make this a nation attractive for investors. Businessmen look for nations with stable and coherent policies. The workers want to see the nation progressing and we are on this road.

Compatriots, as you have been able to observe during my public appearances, I am a man of few words. I regularly engage in practical actions rather than in theoretical useless debates. I do not want this lack of words to generate the wrong impression. I am firmly convinced Peru will overcome this crisis. I am convinced the road we have taken, although it may not be the best, is quite adequate and appropriate to resolve our problems. Production will start to increase this year on firm foundations, inflation will continue to decrease, exports will be recovered, and future negotiations with the international financial institutions will finally conclude with favorable results to reduce the foreign debt and thereby reduce our balance of payments.

I want to point out that this process will not have immediate results; this is a long-term process in which yields will only be seen in the near future. This requires the generous consensus of the great majority, as opposed to the vain role of a few. I do not pretend to be the owner of the truth. Everyone should contribute to the truth. I am sure Peru's growth will exceed macroeconomic development, no matter how important this may be. Besides the diagnosis, the numbers, and the wise analysis of the alternatives, what will mark our nation's possibilities will be the daily creativity and the willingness generously offered by millions of Peruvians. It has come about for us to live an important time in our history. As many of you, I feel obliged to offer my generous contribution to this difficult and significant task. This is possible to achieve, however, with effort and perseverance for a better Peru for our children. Good night.

Comptroller Resigns After Alleged Case of Missing Gold

PA2503145693 Lima Global de Television Network in Spanish 0000 GMT 25 Mar 93

[Text] A day after the Congressional Oversight Commission voted against her ratification, Comptroller Maria Herminia Drago Correa resigned. Her inaccurate report of an alleged case of missing gold at the Central Reserve Bank [BCR] contributed to her departure.

Maria Herminia Drago again defended the truthfulness of the Comptroller General's Office report saying that some gold is missing at the BCR. She said a technical, efficient, and honest work was done. She reiterated that the BCR did not send the documents on the gold deposits on time. She complained about the lack of support given to the oversight duties performed by the Comptroller General's Office and criticized the Oversight Commission for being biased in favor of the BCR and giving a nontechnical opinion.

The matter has been handled with political criteria and there are people interested in the lack of control in the country, she said.

On 23 March, the Oversight Commission decided not to approve her ratification and without waiting for the Congressional ruling, the comptroller decided to resign from her post.

[Begin Drago recording] The events that have been taking place since we carried out our latest oversight duties have hurt the autonomy and authority of the Comptroller General's Office and have led me to irrevocably resign as comptroller general of the Republic as of 24 March. In this letter, I want to leave on record the mistreatment being suffered by the Comptroller General's Office as a consequence of the oversight duties carried out at the BCR. From the Comptroller General Office's point of view there has been and there are 60,000 troy ounces of gold missing according to the inspection as of 30 October 1992. [end recording]

Drago said she hopes her successor will continue the oversight duties in the privatization processes in Hierro Peru [Peru Iron Company] and Aero Peru Airlines as

well as in the Peruvian Sports Institute, where there are signs of irregularities, she said.

Dincote Presents Nine Shining Path Rebels to Media

PA2503220493 Lima Global de Television Network in Spanish 0000 GMT 25 Mar 93

[Text] The National Counterterrorism Directorate [Dincote] presented to the media nine Shining Path members who made up a support group that was being restructured. Their first duties were to consolidate the group's ideology, carry our propaganda operations, conduct strategic intelligence work, and conduct economic and productive work. They performed these duties through universities, schools, and job centers. The members of these groups were identified and their respective responsibilities were established through a subversive document that was confiscated earlier in a different operation.

The names of the arrested are: Alejandro Guzman, alias Comrade Jeronino, a self-employed public accountant; Wilfredo Silva Figueroa alias Comrade Maximo or Leonardo, a psychologist who worked as a professor at the Enrique Guzman y Valle University in La Cantuta; Cesar Enrique Degollar Huaman, alias Comrade Pancho, a student at the Enrique Guzman y Valle Teacher's School; Fortunato Jose Figueroa, alias Comrade Pavel, a former La Cantuta University student who worked as a primary school teacher at the Reino de Espana School in Barranco; Jorge Castillo Prado, alias Comrade Samuel, an economist and university professor; Rolando Ignacio Pescoran Prieto, alias Comrade Francisco, a psychologist who worked at the Jose Polar Primary School in Pueblo Libre; Noemi Aurora Salinas Silva, alias Comrade Alicia, a nursing student and former employee of the National Ophthalmology Institute; Jose Oros Fernandez, 23; and Elmer Vilcarra Gamarra, 21.

In the course of police Operation Nemesio, the following individuals were also arrested: Carlos Alberto Vasquez Garcia, alias Camrade Jaime, a psychologist who worked as a professor at El Callao National University; Rosa Candela Bocanegra, alias Comrade Lourdes, a psychologist and primary school teacher; and Antero Grimaldo, a sociolist and professor at the El Callao National University. These last three persons were remanded to the courts on 17 March.

MRTA 'Top' Communications Expert Arrested

PA2503223393 Lima Global de Television Network in Spanish 0000 GMT 25 Mar 93

[Text] The National Counterterrorism Directorate in Arequipa presented subversive Luis Roberto Villar Gamboa to the media. He is the top communications expert of the Tupac Amaru Revolutionary Movement [MRTA] in southern Peru. His areas of operation were Puno and Cusco. Police also disbanded two subversive cells in Puno.

Villar and MRTA leader Victor Polay Campos escaped from the Miguel Castro Castro Prison in 1990. Police arrested Villar while he was sending packages to Cusco containing sophisticated Kenwood communication radios and accessories valued at $30,000. He was also trying to send original electoral registration cards with forged numbers and seals of the National Election Board, electoral registry offices, and the Democratic Constituent Congress. Ties with other subversives have also been uncovered. Pilar Francisca Hinojosa, Villar's companion, was arrested in Cusco and taken to Lima with Cristina Luisa Aguirre, a member of MRTA's support personnel. The investigation continues in Cusco. Villar is an engineer who graduated with honors from Lima's National Engineering University. He said the tunnel used in his escape was built from the outside in.

[Begin National Police General Jose Caballero recording] Ruben is a highly qualified communications expert. The leaders use communication equipment to send orders to the groups that carry them out. We will continue to work by air, sea, and land. The police are watching what is happening so we can help bring peace to the country. [end recording]

Article Views Drug Interdiction Policies

PY2503212293 Lima LA REPUBLICA in Spanish 15 Mar 93 pp 16, 17

[Article by Ines Flores]

[Text] According to Ricardo Soberon, a member of the "Drugs, Security, and Human Rights" team from the Andean Jurists Commission, interdiction policies implemented in Bolivia, Colombia, and Peru have not resulted in a reduction of areas devoted to illegal coca cultivation but rather have spurred the shifting of coca culture to other areas.

Soberon believes this is due to the fact that the United States could never fathom the true causes of the spread of coca culture in the rural areas of countries like Peru.

He contends that interdiction policies had an adverse effect on the strengthening of democracy, respect for human rights, and the struggle against drug-trafficking rings.

Soberon believes the only positive result is that each Andean country has decided to find its own solutions to the problem.

Thus, in light of the fact that the United States has decided to axe its aid to Bolivia to fight drug trafficking, President Jaime Paz Zamora has advanced his own theory on coca diplomacy.

Cutbacks in U.S. aid to Bolivia amount to $26 million.

In Colombia, it stands to reason that, following the escape from prison of drug kingpin Pablo Escobar, the authorities were obliged to make their own political decisions, which they did by refusing to extradite other

Colombian citizens. Hence, they strengthened the country's democratic and legal systems.

Soberon believes Peru is perhaps the only country that did not lift a finger in this endeavor.

He explained that after Hernando de Soto put forward a proposal that became the basis of the so-called Fujimori doctrine, the government did not do much about this issue.

Soberon said that since then, and at a time when the legal democratic regime is seriously questioned by the international community, the arguments given by the Peruvian administration to close Congress and the judicial branch have not been proven yet.

He said: "These arguments persist or they likely have expanded."

Soberon thinks this occurs because former administrations and the current one have not thoroughly considered that the crime of drug trafficking grows with demand.

Everything depends on the efforts made by the governments to control the legal or illegal drug trade, or to promote and expand it.

In light of this situation, President Clinton's new antidrug program will face a favorable and negative aspect.

The negative aspect would be the risk that Bolivia, Colombia, and Peru will no longer play the main role within the international negotiations that included the coca issue as an important matter on the agenda.

The favorable position will be the opportunity for the Andean countries "to remodel their own model" to effectively control drug trafficking from their own perspective, both at local and the Andean level.

To this end, Soberon suggested the government call on all sectors and listen to them in a democratic atmosphere to evaluate the actions that have been taken and to draft a coherent and global policy.

Soberon said: "It is time to think of using our own tools."

He also urged a stop once and for all to threatening coca growers to generate a sincere relationship.

Soberon wondered about the offer to declare them valid interlocutors. What happened to the offer to give them their title deed or improve their commercial situation?

He said the current administration has failed to meet these commitments made in 1990.

We wonder: What was wrong with the strategy?

Soberon replied: "The view and political will of local and U.S. experts who designed the antidrug program."

He explained that a wave of violence encouraged by the Bush administration's interdiction program has spread because no one tried at any time to analyze the reasons that promoted the expansion of coca growing and violence among cocaine cartels.

He said it is expected that the Clinton administration will have a different viewpoint on the problem, which will not entail a decision to set aside the U.S. position but to allow our governments to adopt their own strategies.

This situation was envisioned in the San Antonio presidential summit.

The Americas' Initiative promoted by George Bush would have failed without the timely efforts to promote the Common Market of the South and the free trade accord signed by Mexico and the United States, which are of common interest to the countries.

He thinks Fujimori himself is responsible for the failure of the so-called Fujimori doctrine.

The proposal made by Freedom and Democracy Institute President Hernando de Soto to support the alternative development program did not concur with the government's macroeconomic policy that forced the reduction of all benefits earmarked to the agricultural area because of the strong pressure posed by the IMF letter of intent.

An offer and even the creation of an Alternative Development Institute that was approved and never implemented, however, are still pending. The hope of 120,000 peasants who signed the agreement as valid interlocutors also vanished.

Soberon said: "Neither the government nor the Armed Forces want to address this issue, and we are wasting time instead of thinking of effective solutions."

Ivan de Rementeria, an alternative development adviser for the Andean Jurists Commission, and an expert in U.S. aid, believes the Clinton administration will focus on the drug issue from a public health and not a criminal viewpoint.

He said the administration is criticizing the former administration and not outlining an antidrug policy.

Rementeria stated that drug prevention and treatment of drug addicts will be primary objectives.

He said that addressing the drug issue as a criminal and not as a health problem was the main mistake.

Rementeria said that a drug addict who resorts to a public program for treatment in the United States has to wait 30 weeks. He said this situation will change.

This shows that the U.S. Government advocated a policy against drug trafficking and not for health reasons.

He also commented on the rumor that the United States reportedly will suspend or drastically cut back its aid for drug enforcement.

This rumor originated in the decision to keep 26 of the 145 employees of the National Drug Control Office in Washington, and in the announcement that the U.S. Administration will implement a policy that will concentrate mainly on health issues (to fight drug addiction).

Rementeria thinks a possible suspension of the financial aid will not have repercussions because it does not play a significant role.

When asked about the proportion of the financial reduction to Peru, he replied: "I think this aid cut will affect controls on production and the drug trade and the alternative development program."

He said that U.S. economic aid was very small because it has never surpassed $10 million a year.

He said AID [Agency for International Development] has provided $30 million since 1986 for alternative development and the United Nations $10 million since 1985.

These are the only resources that have been earmarked for "alternative development."

There are more than 7,000 hectares of alternative crops, including cacao, coffee, and annatto seeds.

He said alternative production has not experienced a significant increase and apparently it will stabilize.

Rementeria said a maximum of 150,000 hectares were earmarked for coca plantations. If each family is assigned one hectare, this means that 150,000 are involved in coca production.

He said that the Bush administration rejected Fujimori's policy, as could be seen during the San Antonio summit.

The Andean countries' role vis-a-vis drug enforcement should be basically agricultural.

De Rementeria stated: "We are unable to come to grips with drug trafficking because a high percentage of the profit scooped by drug traffickers in peddling narcotics is made in consumer countries. There lies the problem (in consumer countries), not here (in Peru)."

He explained that drug production answers the country's need to overcome the agricultural crisis arising from international trade relations concerning agricultural and food products, which are hedged by government subsidies.

Farm subsidies have caused commodity prices to plunge 50 percent on the international market in the last few years.

In other words, governments subsidize agriculture and, as a result of this, commodities are sold at prices well below real production costs. This, in turn, causes problems for Third World countries because they have neither access to the international market nor can compete with such low prices.

Commodities such as rice, wheat, and quinoa are being quoted on the international commodity market at one-third below production costs.

This is a serious handicap for Peruvian farmers who want to engage in legal farming because our agriculture is not subsidized.

On the other hand, both the United States, the world's No. 1 agricultural producer, and the EC grant subsidies to growers of agricultural products.

De Rementeria voiced his concern that some day—which might be just around the corner—we may find ourselves in the same situation Somalia had to go through due to a lack of food supplies.

He warned: "If we cannot export food tomorrow, we will find ourselves in the same boat as Somalia."

We asked him: What will happen then?

He said: I am afraid that in the event of a failure in the crop substitution policy we will relapse into the interdiction policy implemented in 1978, which triggered off a chain of violence that still prevails in our country.

Moreover, this lack of control might bring about an increase in poppy cultivation—something that already has been reported in Cajamarca. This is precisely what happened in Colombia, where poppy fields spread over an area of 25,000 hectares.

Heroin is made from poppy seeds.

De Rementeria asserted that there is no drug control policy in force in the country and least of all, a public health policy on drug control, with the exception of some organizations created to prevent drug abuse.

De Rementeria stated further that at least 20 percent of Peruvians have been occasional drug users and 5 percent of the population is on drugs.

He believes the number of Armed Forces personnel involved in drug trafficking is much larger than that reported by Defense Minister General Victor Malca.

De Rementeria believes the strategy, namely to have peasants set rocks to prevent landings on illegal airstrips, is useless.

We asked him: If cocaine production has brought about serious drug addiction problems in the United States, what about our country?

He said that "one has recourse to drug taking either as a form of escapism or to pluck up courage to face reality. If this is the case, drug abuse in Peru could reach the same proportions as in other developing countries."

Uruguay

President Signs Tourism, Cultural Agreement With Mexico

PY2603020393 Montevideo Radio El Espectador Network in Spanish 0000 GMT 26 Mar 93

[Report by Lino Torres from Government House]

[Text] President Luis Alberto Lacalle Herrera will return to Montevideo at noon on 26 March after being in Mexico since 22 March. The Uruguayan president met his Mexican counterpart, Carlos Salinas de Gortari, with whom he signed several bilateral agreements, including a tourist cooperation agreement. Through this agreement the two countries will promote, encourage, and facilitate tourism-related activities and the exchange of experts, counseling, the transfer of technology, personnel training, informatics, and statistics, all within the framework of the World Tourism Organization.

The two presidents also signed a cultural agreement that establishes specific cooperative projects in the fields of education and culture. It also promotes the strengthening of relations between the educational systems of the two countries through the exchange of experts and execution of joint projects. The agreement also encourages interinstitutional agreements between universities and higher-level institutes to encourage joint investigations, the exchange of teachers, and participation in congresses.

Venezuela

Perez Attends Ceremony Creating National Center for Competitiveness

PA2503133293 Caracas Venezolana de Television Network in Spanish 1650 GMT 24 Mar 93

[Text] I will wait with confidence, as representative of all the Venezuelan people, until the Supreme Court makes its decision. This statement was made by President Carlos Andres Perez as he attended the ceremony during which a document was signed creating the National Center for Competitiveness. The president was the main speaker at the event, and he emphasized the importance of uniting the country's public and private sectors. He stated his optimism concerning the increase in interest rates and a prompt solution to the economic problems being faced by the Executive Branch.

[Begin Perez recording] It is simply a matter of joining our efforts to face the challenge that must be individually faced by all enterprises and people who engage in production activities in Venezuela. On 23 March we talked about productivity. That was the term used for quite a time regarding efforts that must be exerted to achieve efficient development in our country. This term is no longer enough to describe the challenge we must face. [end recording]

Court Rules Radical Cause Party Challenge Inadmissable

PA2603032193 Caracas Venezolana de Television Network in Spanish 2350 GMT 25 Mar 93

[Report by Johnny Ficarella]

[Text] Alirio Abreu, vice president of the Supreme Court of Justice, who is handling the case of the two challenges filed by the Radical Cause Party, has ruled that the challenge requesting a pretrial for President Carlos Andres Perez is inadmissible because Radical Cause is not a party in the case. Abreu said no parties as such are involved in the pretrial:

[Begin Abreu recording] The purpose is to determine whether a high-ranking official can be tried. One of the essential requisites to advance the challenge, that is, being a party, is not met in this case. We are not ruling on the challenge itself; in other words, we are not ruling on whether the challenge is well-founded or whether the reasons for filing it actually exist. Only a prosecutor of the Public Prosecutor's Office or his representative may challenge a pretrial. [end recording]

Magistrate Alirio Abreu added that anyone who tried to challenge Prosecutor General Ramon Escovar Salom would just be stubborn, because the Supreme Court has already ruled that the prosecutor general cannot be challenged. The high court, however, did assure the plenum on 30 March that it will decide which magistrate will draft the report on the pretrial request against President Carlos Andres Perez and two of his former ministers.

Superior Court Magistrates Reconsider Decision To Resign Posts

PA2503223293 Caracas Venezolana de Television Network in Spanish 1643 GMT 25 Mar 93

[Report by Johnny Ficarella]

[Text] We are at the Supreme Court of Justice, where the three members of the Superior Court for the Protection of Public Property have met with magistrates of the Supreme Court of Justice.

The magistrates of the Superior Court for the Protection of Public Property have just announced that they have reconsidered their decision to resign their posts because they have received good responses to their demands. The magistrates added that the amendments to the Superior Court for the Protection of Public Property Law will be approved in the next few days. Their main offices will be located in the Justice Palace and they will have administrative autonomy.

The magistrates said they hoped the promises will be kept and withdrew their resignations. Now Congress must approve the amendments to the Superior Court for the Protection of Public Property Law, and the Judiciary

Council must install the members of this new court in their main offices as soon as possible.

* Retired General on Armed Forces Issues

93SM0177A Caracas EL NACIONAL in Spanish 13 Feb 93 p D4

[Interview with General Herminio Fuenmayor by Berenice Gomez Velasquez: "They Have the President Backed Up Against the Wall"; place and date not given]

[Text] The situation is getting better in every way and it has particularly improved in the military, it was reported in the latest statements by the defense minister and the Army commander in chief, both of whom were very blunt and agreed in their assessments of military issues and the situation in Venezuela, said retired Army Brigadier General Herminio Fuenmayor, former director of the DIM [Military Intelligence Directorate].

He considers this improvement significant as it creates the domestic peace needed for the nation's social development. "The FAN [National Armed Forces] is an indispensable factor in this."

[Gomez Velasquez] Do you feel that FAN is adrift?

[Fuenmayor] Responsibly, and based on my 34 years of experience in intelligence, I will say that my perception of the climate—which is necessary for making future projections—indicates that the FAN is more united than ever before. They have a high command that is without a doubt one of the best they have had in recent times. Their spirit and professionalism are outstanding. When they took over the command the Armed Forces had been politicized and were full of demagoguery and populism. They have had to return them to what they should be, by applying the Disciplinary Punishment Regulation and using the chains of command in order not to lose the principle of authority and to restore the importance of military discipline, a fundamental factor in supporting the institution.

Known Destabilizers

[Gomez Velasquez] Do you think it is possible that the high command might attempt a coup?

[Fuenmayor] Such speculations do not contribute to peace or stability in the FAN. There is a group of destabilizers working from the United States to stir up speculation and create instability.

[Gomez Velasquez] Who are they?

[Fuenmayor] Let me simply say that the U.S. Armed Forces have sent a number of advisers to Venezuela to take part in a dirty campaign against Uslar, Caldera, some journalists, and other honorable people here. I will not mention any leaders or members.

Fuenmayor understands that if that information reaches the media, they have to publish it. "Reporters must inform. But that is completely false. As the president said, the troublemakers were entrenched here at one time, but fortunately the majority of them have left, even though they continue working from outside Venezuela against the government and against democracy," he said.

He said that former Army Commander in Chief Carlos Julio Penaloza said at one time that if he were put on trial he would have to collect money for his defense. "It would be interesting to find out who is supporting him in the United States, probably someone at a corner of Lake Plaza near the Union of Swiss Banks, by collecting money to defend him for all the damage he did to the FAN."

[Gomez Velasquez] What damage?

[Fuenmayor] The very fact that the investigation showed that the guys known as the "Bolivarians" were promoted from the rank of major to lieutenant colonel and were placed at the head of elite Army battalions merits a thorough investigation, for if he knew of the existence of those misfits in the FAN before the coup took place, of people who were sowing a lack of discipline and falsehood in the top FAN commands, he should have treated those people differently.

[Gomez Velasquez] But it was actually at General Penaloza's order that General Heinz Azpurua investigated them, breaking up the so-called "Comacates" and scattering them in December 1990. It was even said that it was the president who promoted them.

[Fuenmayor] That is not true. The president has nothing to do with promotions to the rank of lieutenant colonel. Those who review their records and propose them are the commanders of the forces. Vacant slots should be filled with the best people, and the best were passed over. There was something abnormal in that Army selection process.

Exchanges With U.S. Army

[Gomez Velasquez] Then you do not think much of the report by the general prosecutor on the psychological operations manual and the statement by Commander (FAV [Venezuelan Air Force]) William Farinas on the direct participation of military counterintelligence experts from the U.S. Army.

[Fuenmayor] That is speculation. The government of Venezuela has a number of intelligence and training exchange programs between the Venezuelan and U.S. Armies. We belong to the western world and we share hemispheric responsibilities. We belong to the United Nations, to the Inter-American Defense System. We are the only Latin Americans who have F-16, but no one is going to tell us to use those planes to bomb Ca[illegible] R, the MAS [Movement Toward Socialism], or Calde[illegible].

He said that many FAN officers have taken intelligence courses in the United States, England, France, Argentina, and Israel. He feels that is normal, as the information process flows from both sides, and he explained that that is how this exchange has been working for a long time. He does not know if foreign advisers actually came here, and he added that thousands of counterintelligence manuals have been adapted to the particular security situation of each country.

Intelligence Problems

According to Fuenmayor, Venezuela's intelligence problems stem from the infamous campaign conducted by known persons who destroyed the DIM and demoralized the DISIP [Directorate of Intelligence and Prevention Services] and the PTJ [Judicial Technical Police], destroying the entire intelligence process.

[Fuenmayor] That is why the events of 4 February and 27 November took place, along with a series of disruptions of public order caused by a systematic rumormongering campaign that the intelligence organizations have still not been able to detect. So something is wrong there.

He added that neither the press nor reporters are active participants in campaigns of this type, as the media are required to publish such information. "That is so because we are in a democracy. We have to realize that they are part of a destabilizing program led by enemies of democracy, people who want to put an end to the esprit de corps of the FAN and to bring the government and president to a state of collapse. That is what we have seen in these four years of government in which they have backed President Perez up against the wall, with I do not know how many accusations. It has been disgraceful," he said.

He refused to identify the members of that group because, in his own words, he has named them many times and the security organizations and the government know them perfectly well.

Crisis of Courage

[Fuenmayor] It is not possible that they have destroyed political organizations, caused a loss of respect for Congress, for public security organizations, and for the majesty of the judiciary. It is not possible that politicians and their organizations have no credibility, and that there is no reaction on the part of thoughtful people, especially politicians, who should be standing up to defend democracy. We see tremendous cowardice that inhibits people from acting, that silences those who should speak out, for fear of being attacked. In private, people say I am right and praise me for continuing to speak out, but no one is joining in the fray.

Defensive Power and the Coup

General Fuenmayor is quite sure that there is danger ahead, given the need for ship repairs and the statements by Colombia's foreign minister about the possibility of sharing the Gulf of Venezuela.

"Our state security has been weakened; our potential enemies have been told of our weaknesses. Does it not seem odd to you that after the new military command took over, the external critics have gotten no more internal FAN documents, no more Comptroller's Office documents on equipment acquisitions?" asked General Fuenmayor.

[Fuenmayor] There was corruption in the leadership; their goal was to demoralize the FAN, to destroy the nation's defensive capability. I do not understand why no efforts have been made to establish responsibility, since anyone who gives information on the country's defenses and weaknesses is guilty of violating the Organic Law of the FAN. One after another they released secret documents, yet no one has been held responsible. You see Jose Vicente's program and what he says is absolute nonsense. He no longer has any inside information on which to base his criticisms. Access to confidential information from people who were involved in the nation's defense has come to an end.

[Gomez Velasquez] What about the Court Martial to clear up the disappearance of 24 million bolivars from the Army?

"I do not want to get involved in that case. There is another much more serious issue that I hope will come out at some time," he said, refusing to give any more information.

Carabobo State Signs Maritime Transportation Agreement

PA2503230393 Caracas Venezolana de Television Network in Spanish 1550 GMT 25 Mar 93

[Text] Carabobo businessmen will be able to sell their products in the EC via Curacao and Carabobo thanks to a maritime transportation agreement. The agreement establishes a joint venture to boost cargo and passenger transportation using cruise-type ferries designed to operate in tropical climates.

Netherland Antilles Prime Minister Maria Peters de Liberia said the association will help boost economic development in both countries. Carabobo State Governor Henrique Salas Romer and the Autonomous Puerto Cabello Institute president [not further identified] both agreed that the agreement will considerably benefit both tourism and trade.

[Begin recording] [Autonomous Puerto Cabello Institute president] The Netherland Antilles in general, Aruba, Curacao, and Bonaire need this interconnection to ensure more fluid delivery of many raw materials they need for the their islands' progress. Venezuela is the country closest to them, and we produce plenty of those things here. Carabobo State, as you know, is an industrial and commercial area that can offer Curacao,

Aruba, and Bonaire a whole range of finished and semifinished products, including food and animal feed, which will benefit them greatly.

[Peters de Liberia] I am thinking of, for example, agricultural products and construction materials. If we can manage to solve the maritime communication problem—here you have an excellent port and so do we—it will benefit both countries.

[Salas Romer] If we manage to get this ferry to operate between the two ports—Carabobo State with 9 million inhabitants plus all the opportunities Curacao offers and from Curacao onward to the Caribbean where over 12 million people live—you can see how it could have a great impact on the economy, commerce, and cultural ties. [end recording]

Petroleum Subsidiary Expands Lubricant Market to Colombia, Ecuador

PA2503234093 Caracas Venezolana de Television Network in Spanish 1550 GMT 25 Mar 93

[Text] Maraven, a subsidiary of Venezuelan Petroleum, has expanded its marketing and distribution of automobile and industrial lubricants to Colombia and Ecuador with the signing of an agreement with representatives of companies involved in the negotiation.

Maraven is thus strengthening an international plan for its refined lubricants that was launched in 1992.

Maraven will be competing on these new markets with Mobile, Exxon, Texaco, Castrol, and Shell products. Representatives of Maraven's domestic marketing division attended the signing ceremony.

Information Group Sponsors Communications Integration

PA2503140793 Caracas Venezolana de Television Network in Spanish 1650 GMT 24 Mar 93

[Text] The Official Information Systems Activity, ASIN, board of directors met on 24 March to sponsor the Latin American Committee's integration through information and communications. The Venezuelan Government has chaired ASIN since 1990 through the Central Information Office, OCI, which is in charge of relations with all member countries.

ASIN Executive Secretary Daniel Barrios said ASIN is headed for a technological revolution because it intends to establish satellite contact with all 29 member countries.

[Begin Barrios recording] Integration is now a reality on the continent, meaning continental and regional integration. We think this has given ASIN a new opportunity to work and we are duty bound to strive for that integration. We will try to include our journalistic services in this new phase to encourage and consolidate the integration process. [end recording]

Guyana

President Makes Remarks at Caribbean Community Meeting

FL2503222693 Bridgetown CANA in English 2043 GMT 25 Mar 93

[Text] Roseau, Dominica, March 25, CANA—Guyana's president, Dr. Cheddi Jagan, wants to see the Caribbean Community produce more of the items it needs.

"We think that we should be not only trading among ourselves but coordinating our production to meet our needs and to consume what we produce, and produce what we want rather than having the old traditional colonial pattern of producing raw materials and exporting them and importing manufactured goods and even food from outside," he said here.

Dr. Jagan was in Dominica to attend a summit of Caribbean Community leaders last Monday and Tuesday [22, 23 March]. He told reporters his government was attempting to work towards rapid increases in production, especially in the agricultural sector. He said the Guyanese people were going back to the land and he was optimistic that Guyana could step up its rice and sugar production to take a larger share of the Caricom market.

"We hope to get a rapid increase in production.... Sugar has done very well and we hope to capture the Caribbean market which is importing sugar from outside the region—and similarly with rice," Jagan said.

President Jagan said he told Caricom heads the Community should have "mixed joint commissions which meet at least once a year to see what are the possible areas of cooperation between the countries involved ... Cooperation in economics, in production, in trade, in culture, in sports, etc." He said Guyana wanted to explore this along with Dominica and other regional states.

President Jagan indicated that the high cost of housing and low wages in Guyana were deterring overseas-based Guyanese wanting to return home to contribute to the development of their country. But he added that his government was receiving some level of international assistance to deal with the low wages.

Suriname

'Military Mainstay' With Drug Record Profiled

PM2503153893 Amsterdam DE VOLKSKRANT in Dutch 18 Mar 93 p 9

[Jeroen Trommelen article: "The Rapid Rise of Captain 'Coke' Boereveen"]

[Text] Amsterdam—Seven years ago he was put into handcuffs by secret agents of the Drug Enforcement Administration in Miami and subsequently sentenced to 12 years imprisonment for conspiring to smuggle

cocaine. But things can work out strangely in Surinamese political life. For since then, 35-year-old Army Captain Etienne Boereveen—a former Netherlands Royal Military Academy student, Desi Bouterse's former right-hand man and still his confidant—has been promoted to the position of the military mainstay of the Venetiaan government.

Venetiaan and Defense Minister Gilds are these days dependent on the industrious head of the Military Police—as the two government members have been hinting. Apart from Boereveen there is probably only Arthy Gorre, one of the 16 officers involved in the coup who said good-bye to the Army in 1985 and is in part-time service at the Defense Ministry advising the minister.

The whole of Surinamese society has a shortage of well-trained personnel and in the last 10 years democratic forces have been difficult to find in the National Army. Officers who are prepared to stick their necks out for an elected government are very scarce. All of this explains the remarkable comeback of Etienne Boereveen, the officer who during his time in an American cell was still regularly promoted by Bouterse and who is now number four in the Army hierarchy.

In the Netherlands too, Boereveen's past seems to have been forgiven and forgotten quickly—or so it appeared from a visit, surrounded by much secrecy, by the officer at the end of last month. According to the Surinamese Embassy he was paying a "private visit, which was nothing to do with us." The Foreign Ministry at The Hague described the visit as a "business affair," for which a visa was granted on the recommendation of the Netherlands mission in Paramaribo.

One part of the visit has leaked out, however. Boereveen was received as a "business contact" by the KLM's company security. KLM cannot remember who arranged the visit. "I haven't the slightest idea," a KLM public relations official said. "We were told that he would like to visit KLM. We arranged it, because in Suriname Mr. Boereveen is responsible for the airport."

The Dutch accusation—which has still not been retracted—that the Surinamese Army leadership is involved in a big way in the trade in cocaine has not passed KLM by. But this does not seem to be an argument to keep company security at Schiphol airport a secret from those involved. The KLM spokesperson: "The guided tour gave a good insight into what the company does, in a way that can be explained to anyone."

Evidently, Boereveen has become a VIP and in Suriname, too, he is working on his position. Last month he was the head of a committee advising Minister Gilds on the restructuring of the National Army. According to the committee's report, there is no longer any room in the new structure for Commanders Sital, Mijnals, and Graanoogst, the three officers who have held the power in the Army in their hands since the departure of Bouterse and who hitherto have been unwilling to change anything.

Boereveen again wants an "army of change" [ontwikkelingsleger]—as probably envisaged by the original revolutionaries. With the departure of the three highest-ranking officers he would automatically be handed the post of number one on a plate.

Last Saturday [13 Ma[illegible]] the advice led to a tough confrontation between the three above-mentioned officers and President Venetiaan. Sital, Mijnals, and Graanoogst declared that they no longer have any confidence in Gilds. The minister is supposed to have discussed the removal of the Army leadership all too openly with Boereveen. Evidently what is discussed between Gilds and the head of the Military Police does not remain secret in the barracks for long.

Last year Venetiaan publicly praised Boereveen as "surely not the worst officer in the country." He even raised the subject of Boereveen's sentence in 1986 in Miami. The judicial system in the United States is "different" from that in Suriname, Venetiaan said, and at the time he was never fully convinced of Boereveen's involvement in the cocaine trade.

This has to be described as a remarkable view, given Boereveen's remarks to American undercover agents. During the trial in Miami videos recorded in secret showed how the Surinamese Army's officer number two at the time offered all manner of smuggling facilities. "Any boat, any aircraft, any person can enter our country if I give the order. I am above the customs service or any other police service," he said.

On the other hand it has to be admitted that since his early release for good behavior Boereveen has behaved like an exemplary officer and citizen. Bouterse put him back into a high-ranking position in the Army. A judicial inquiry into the Surinamese side of the alleged drugs smuggling has never been carried out. In his free time the captain trains a basketball club.

According to reports, Boereveen was interrogated by the Army leadership for two days about his early release. Had Boereveen perhaps been recruited by the U.S. secret service? In 1991 the probing interrogation even led to rumors about his sudden death. But shortly after that Boereveen and Bouterse were again to be seen jogging like brothers in the suburbs of Paramaribo.

The question of who in the final analysis Boereveen feels most loyalty for—Defense Minister Gilds or former army leader Bouterse—is not difficult to answer, according to insiders. Unofficially, Bouterse is still the boss of the Army and Boereveen feels himself to be an officer above everything else. "He has made a choice," a childhood friend said. "But he himself will have to say what it is."